

# INTERNATIONAL Herald Tribune

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PARIS, SATURDAY-SUNDAY, FEBRUARY 20-21, 1988

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The Global Newspaper  
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## John Paul Censures Cold War Encyclical Says Rival Ideologies Hurt Third World

By Roberto Suro  
New York Times Service  
ROME — Pope John Paul II issued a major encyclical Friday that condemns the ideological rivalry between East and West, saying it subjects poor nations to imperialistic "structures of sin" that deny them freedom and development.  
"Solidum Re Socialis," the pope's seventh encyclical, is equally critical of capitalism and Marxism as "imperfect" systems urgently "in need of radical correction," but its harshest attack on the superpowers is for what the pope sees as a playing out of their competition in the Third World, thus reducing developing nations to "parts of a machine, cogs on a gigantic wheel."  
The 20,000-word document, whose English title is "The Social Concerns of the Church," provides an authoritative Roman Catholic analysis of global politics and directs church views on many social issues. An encyclical letter is the highest form of papal teaching, and Catholics are expected to give its message assent and obedience.  
In an introduction, John Paul says this encyclical is meant to commemorate the 20th anniversary of Pope Paul VI's "Populorum Progressio," or "Progress of the Peoples," an influential encyclical that proclaimed that "development is the new name for peace."  
In updating his predecessor's teachings, which were in fact published in 1967, John Paul focuses on the development of poor nations as crucial to humanity's survival, as did Paul, but he offers a new emphasis on the role of the superpowers and their allies.  
"The very fact that the world is divided into rival ideological blocs," he writes, "is a direct obstacle to the real transformation of the conditions of underdevelopment." He says that blocs "an insupportable... structures of sin" which obstruct united cooperation, and he complains that "each of the two blocs harbors in its own way a tendency towards imperialism."  
The encyclical insists that "the Church's social doctrine is not a 'third way' between liberal capitalism and Marxist collectivism." The pope argues that many of the world's problems, especially lack of progress in the Southern Hemisphere, must be viewed from a moral perspective and not just as economic and political issues. The solutions, he says, are also primarily of a moral nature.  
The encyclical, which is addressed not just to Catholics but to

## The Image Fray: Is Dole's Spirit Mean?

By Edward Walsh  
Washington Post Service  
WASHINGTON — When a brooding Senator Bob Dole stared into a television camera and told Vice President George Bush to "keep smiling about my record," he instantly revived an image that stems from his early political career and particularly his 1976 campaign as the Republican vice presidential candidate.  
It is the image of Mr. Dole as a slashing, partisan "hatchet man" who plays the game of politics according to his own rules or no rules at all.  
In the aftermath of that moment of television on Tuesday, and of Mr. Dole's loss to Mr. Bush in the New Hampshire primary, associates of the Senate Republican leader have rushed to his defense. Several of his Senate colleagues called a news conference Thursday to defend his record on taxes and other issues against the Bush campaign charges that provoked the outburst—including suggestions that Mr. Dole wants to raise taxes.  
One Dole supporter, Senator Nancy L. Kassebaum, a fellow Kansas Republican, also complained that Mr. Dole had been subjected to a "double standard."  
"The vice president lashes out in sometimes rather crude language and no one says anything," she said.  
Double standard or not, the issue is part of the 1988 Republican presidential contest, and it is one that Mr. Dole and his advisers were aware might be



"Keep smiling," the campaign manager advised.

## Namibia Bombing Kills 14 Rebels Deny Role In Explosion at S. African Bank

By William Claiborne  
Washington Post Service  
JOHANNESBURG — A bomb exploded Friday in a crowded South African-owned bank in the northern Namibian border town of Oshakati, killing at least 14 people and injuring 31, most of them seriously, police officials said.  
The police blamed the blast on the South-West Africa People's Organization, or SWAPO, the guerrilla group that has waged a 21-year battle for independence for Namibia, also known as South-West Africa. The country is administered by South Africa in defiance of United Nations resolutions.  
SWAPO denied any role.  
The bombing came at a time when SWAPO military activity in the border region had fallen dramatically in the face of heavy South African military pressure.  
Police officials in Windhoek, the Namibian capital, said the victims included 10 women, one child and three men, all civilians. They said one of the women killed was white and that the rest of the victims were black.  
A police spokesman, Kirie Durood, said that approximately 55 pounds (25 kilograms) of plastic explosives were used in the bomb, which demolished the branch of the First National Bank in Oshakati. The town serves as the main South African Army base operating along the Angolan border with Namibia.  
The authorities said that a fire hampered rescue operations and that the death toll could rise.  
Christopher Ball, the chief executive of the bank, flew to Oshakati from Johannesburg after the explosion. The parent bank, South Africa's largest, was Barclays before the British firm divested its holdings in South Africa last year.  
Although no group claimed responsibility for the blast, Mr. Durood said, "This confirms Sam Nujoma's New Year's message when he said he will bring the struggle to the home of every Namibian." Mr. Nujoma is president of SWAPO.  
SWAPO's spokesman in Windhoek, Hideo Hamutenya, said his group had nothing to do with the explosion.  
"The bomb is part of South Africa's dirty propaganda campaign to smear the name of SWAPO," Mr. Hamutenya said.  
The bank was the target of a bombing last year, though no one was killed then. On Friday, the bank was packed with lunchtime customers when the bomb exploded at 12:55 P.M., the police said.  
The South African Press Association said that most of the customers were employees of the Oshakati civil administration who had just been paid. The administration governing the 220-mile-wide (350-kilometer-wide) Oshakati tribal territory has been criticized by SWAPO as collaborationist.  
Reports from Oshakati said that security guards had locked the bank's doors to control the crowd until those inside had been served and that some customers waiting outside were injured in the blast.  
Efforts by Namibia's multiracial transitional government to draft a constitution that could lead to independence for the former German

ANTIQUE  
PAGE 11 FOR MORE CLASSIFIED

ENGLISH WEEKEND IN MARKET

The Desjardins



## 2 More Take Olympic Gold

Mikhail Deviatarov of the Soviet Union, left, in the 15-kilometer cross-country skiing competition, coming in first Friday, while Marina Kiehl, the West German gold medalist in the women's downhill ski event, grips her toy devil mascot and watches the competition in Calgary.

## U.S. Standard of Living Under Pressure

By John Meehan  
International Herald Tribune  
NEW YORK — Four months after the stock market collapse, Americans are still awaiting the economic consequences. But the national preoccupation with the question of whether or not a recession will develop has diverted attention from developments that analysts say could jeopardize improvements in the U.S. standard of living over the next decade and beyond.  
Few analysts suggest that the era of prosperity that has characterized American society during the post-World War II period is over. But they believe that more resources will have to be devoted to paying off the national debt and redressing the trade deficit. Not surprisingly, they argue, Americans may have to forgo some benefits.  
Certain indicators seem to imply that changes have already occurred. Statistics show a downward trend in incomes. Import prices rose 14.8 percent last year, the biggest increase since the government began keeping these statistics in 1983. And for the first time since the 1930s, the percentage of Americans who own homes has been dropping.  
The U.S. economy, some analysts contend, has embarked on a long period of only modest expansion.  
Researchers at Hudson Institute expect American living standards to improve slowly until the turn of the century, with the economy expected to expand at an average rate of 2.9 percent, compared with 3.1 percent for the rest of the world.  
"We're going to be in a squeeze unless we make some adjustments," said Arnold Packer, an economist with the Indianapolis-based institute.  
Still, even with a reduced rate of growth, the United States would

## New Korea Cabinet Much Like the Old

By Clyde Haberman  
New York Times Service  
TOKYO — President-elect Roh Tae Woo of South Korea, who takes office next week, named a cabinet Friday with seven prominent ministers from the current government keeping their positions.  
Mr. Roh's campaign speeches had stressed change from the present authoritarian regime, but instead his emphasis in announcing the new cabinet line-up was on political and economic continuity.  
Seven of his 23 appointments kept portfolios that he had held in the outgoing government of President Chun Doo Hwan, who seized power with Mr. Roh's help in a 1980 military coup. The carryovers included the ministers for foreign affairs, finance, home affairs, justice and sports, a post of considerable importance because of this summer's Olympic Games in Seoul.  
The Home Affairs Ministry has

## Chirac Retracts Pledge About 1998 World Cup

By Barry James  
International Herald Tribune  
PARIS — Seeking presidential votes, Prime Minister Jacques Chirac promised Thursday evening that France would stage the finals of the World Soccer Cup in 1998, but the cup's governing body promptly said Friday that the decision was not his to make.  
Afterwards, from the prime minister pulled back from his promise, leaving himself politically embarrassed. He acknowledged that France was no more than "very well placed" to stage the finals.  
At a political rally before an estimated 6,000 people in Dijon, Mr. Chirac said he had "already negotiated" a contract with Jojo Havelange, the president of the 158-nation International Federation of Association Football, known as FIFA, which organizes the cup.  
But Guido Tognoni, a FIFA

## Kiosk

### Direct Action Chief Acquitted

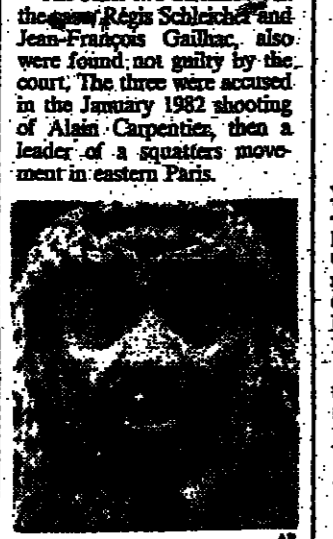
PARIS (AP) — Nathalie Mignon, one of four leaders of the extreme left group Direct Action who have been refusing food for 81 days, was acquitted Friday night on charges of attempted murder at the end of her third criminal trial this month.  
The other two defendants in the case, Régis Schlicher and Jean-François Gailhar, also were found not guilty by the court. The three were accused in the January 1982 shooting of Alain Carpentier, then a leader of a squatters' movement in eastern Paris.

## U.S. Spy Hunters Are Stalking Israel's 'Mr. X'

By Bob Woodward and Walter Pincus  
Washington Post Service  
WASHINGTON — Nearly a year after the Israeli spy Jonathan Jay Pollard was sentenced to life in prison, Justice Department officials have concluded that Israel almost certainly had another American espionage agent in the Central Intelligence Agency or the Defense Department, according to sources.  
The Justice Department is continuing its investigation to attempt to establish the identity of a second Israeli spy, dubbed "Mr. X" by government investigators, the sources said.  
The belief that a Mr. X must exist grew out of a three-stage debriefing and polygraphing of Mr. Pollard over many months, the sources said.  
Mr. Pollard told U.S. officials that his Israeli handlers often specified by date and document control number the highly sensitive U.S. documents they wanted him to acquire, and once showed him a top secret U.S. document to which —  
investigators have established — he did not have access.  
It was an index or catalogue that Mr. Pollard was then able to use to obtain documents from U.S. intelligence agencies during one phase of his espionage. U.S. investigators have concluded that the other American — Mr. X — had provided this index and other specific information on U.S. secrets that Mr. Pollard learned from his Israeli handlers.  
U.S. intelligence agencies have drawn up lists of suspects, but no evidence has been developed so far pointing to any individual as a possible Mr. X.  
Terry H. Eastland, the chief Justice Department spokesman, said Thursday, "As we have indicated previously, there are unanswered questions in the case, and the investigation continues."  
An Israeli Embassy spokesman, Yossi Gal, said Thursday that the Pollard case was an aberration and that the Israeli government has no

## U.S. to Remain in UNIFIL Unit

Photocopy of a purported UN identity card signed by Colonel William Higgins who was kidnapped in Lebanon. President Ronald Reagan said that the United States would not withdraw Americans from the UN observer group despite the abduction.  
Page 2.



Yasser Arafat lashed out at Israel at a UN human rights meeting in Geneva. Page 2.

General News  
Portugal has decided on an "overhaul" of the 1951 military treaty with the U.S. Page 2.  
Business/Finance  
The U.K. auto industry faced more strike threats from thousands of workers. Page 17.  
Dow Close  
The Dollar  
Dow 1,708  
DAX 1,745  
Yen 120.15  
FF 5.773

## Bu Xinsheng's Long March, From Tailor to Magnate to Beijing Pariah

By Edward A. Gargan  
New York Times Service  
BEIJING — Success was, for Bu Xinsheng, so sweet.  
A humble tailor, he rose to become manager of a large shirt factory, transforming it from near-ruin to booming profitability. He wore fancy suits, had his own car. He was quoted by the newspapers. He appeared on television. He lectured at universities.  
His views were sought of every subject.  
Mr. Bu was a model of China's new spirit of change, the paragon of factory directors, the man who showed how the future would be.  
Then suddenly last month he was stripped of his job. His factory was on the edge of bankruptcy. The press lashed out at him.  
Mr. Bu, trapped on the official Xinhua News Agency, was guilty of "arrogance, high-handedness and imperiousness" and ignorance of state policies. Around the country, newspapers pounced, tarring the former tailor with charges of incompetence and venality.  
Yet, said this deluge of derision, voices of dissent and disbelief are being heard. And the press itself, a mouthpiece of the government, is even under attack.  
The tale of Mr. Bu's rise and fall is a chronicle not only of one man's limits but also of the fragility of individualism in a country where Communism is still creed. It is also a warning to other Bu Xinshengs.  
In 1979, just as Chinese leaders were laying out plans to wrench the country from the grip of Soviet-style Communism, Mr. Bu, 47, was asked to take over management of the Haiyan shirt factory near Shanghai. He was ambitious and determined to make the derelict plant, where workers could not even retire because there was no money in the pension fund, a viable enterprise.  
Mr. Bu, in what was at the time a daring and innovative step, doubled salaries, instituted piece-work and told workers that if they did not work they would not be paid. He also told them that their usual habits, reading newspapers, eating, sleeping and whistling on the job, were banned. He even dismissed workers at a time when such actions were unheard of.  
For his efforts, he was sued by dismissed workers. He told a reporter at the time: "I met some resentment from people who had their wages cut, were criticized or were fired. Some people swore at me. You're just like a capitalist boss, and we're just working like slaves in a labor camp." Some said, "If you fire me or if you cut my wages, I'm going to kill you."  
But Mr. Bu slogged on. He imported foreign machines and expanded the work force. He designed new shirts and began manufacturing Western suits. Profits rose.  
Mr. Bu was held out as a model factory director. He traveled around China, invited to speak on literature and art, on economic theory, even on military theory.  
Then, last month, he was dismissed from his job by the government.  
According to the news agency, government officials began investigating the factory last December after a poll of workers showed that 96 percent objected to Mr. Bu's management. Investigators were said to have found debts of \$2.7 million.  
This turn of events, government officials found, "resulted from wrong decisions in management made by Bu himself disregarding the factory's capacity and market conditions," the news agency said.  
Unlike other sudden pariahs, Mr. Bu has refused to fade away. A long article last month in the overseas edition of People's Daily, the mouthpiece of the Communist Party, reported a welter of views on his fate.  
"Reformers can't have life tenure," the paper quoted an anonymous voice as having said.  
"Responsibility should not be shoved onto the single person of the factory director," a dissenting view held. "Why hasn't anybody spoken out about the responsibility of the oversight department?"  
The newspaper cited an economic analyst's comments that other factors were at work, despite the contention of local officials. "If the government departments above him hadn't ordered rapid increases in production and if the clothing market didn't change so much between 1985 and 1986, he would not have failed."  
Despite the public thrashing he has received from local bureaucrats, Mr. Bu appears undaunted, according to People's Daily. "I wouldn't think of giving up," he told the paper. "The county sent me to work in a light industry company. But I'm not going to stay there. I'll go out and run an enterprise somewhere."

WORLD BRIEFS

Portugal to Seek 'Overhaul' of 1951 Military Pact With U.S.

By Paul Delaney
New York Times Service
MADRID — Portugal plans to ask for a "thorough overhaul" of a 37-year-old mutual defense treaty with the United States...

unhappy about cuts in U.S. aid, trimmed by the administration to \$117 million from a promised \$207 million in the current fiscal year...

retary, not the secretary of state, and these things are dealt with by the State Department and us...

ways possible to find solutions to our common problems outside the context of a formal opening of negotiations...

was widely supported for standing up to the Americans. He continued that stand even as Mr. Carlucci arrived...

Under the arrangement, the two countries would name a joint task force to study the military needs of Portugal in light of what surplus was available...

India Submarine Lease Worries U.S.

WASHINGTON (AP) — The recent lease by the Soviet Union of an atomic-powered submarine to India threatens to undermine efforts against the spread of nuclear weapons and technology...

Spain's Communist Leader Resigns

MADRID (Reuters) — The head of Spain's Communist Party stepped down Friday as the party began to search for a new leader willing to take charge of its declining fortunes...

9 Slain in Court Bombings in Punjab

AMRITSAR, India (Reuters) — At least nine persons were killed Friday and more than 50 injured when attackers believed to be Sikh extremists hurled bombs into court complexes in four cities in the north Indian state of Punjab...

Spain Willing to Resume ETA Talks

MADRID (Reuters) — Spain said Friday it was prepared to resume peace talks with Basque separatist guerrillas because they were holding off attacks under a truce offer...

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TRAVEL UPDATE

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Visitors to Japan Won't Be 'Alien'

TOKYO — Japan, often accused of xenophobia and sometimes with justification, took a small step this week to make visitors from abroad feel a bit less alien...

Shultz Is 'Likely' To Visit Syria For Talks With Assad

WASHINGTON — Secretary of State George P. Shultz "most likely" will visit Syria when he goes to the Middle East next week...

UN Widens Iran Arms Debate

By Paul Lewis
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Reagan Says Americans Will Stay in Lebanon

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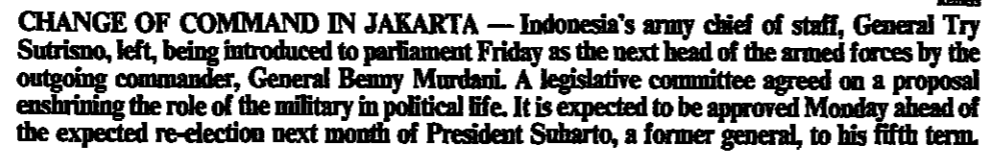
responsibility for kidnapping Lebanese Jews in Beirut and hijacking airliners. Friday's statement was the second claim of responsibility for the colonel's kidnapping south of the port of Tyre...

Israel Swells Police Force in Jerusalem

JERUSALEM — The authorities launched one of the largest police operations in Israeli history on Friday, sending 1,500 volunteers of force into Jerusalem's Arab neighborhoods to round-the-clock patrols to head off Arab riots...

Libya Offers Refuge to Nasser's Son, Wanted by Egypt on Terror Charges

BELGRADE — Libya has offered sanctuary to the eldest son of Gamal Abdel Nasser, the former president of Egypt, Arab sources said Friday. The son is wanted in Cairo on terrorism charges...



CHANGE OF COMMAND IN JAKARTA — Indonesia's army chief of staff, General Try Sutrisno, left, being introduced to parliament Friday as the next head of the armed forces by the outgoing commander, General Benny Murdani...

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- CENTER OF COPENHAGEN
FIRST BAPTIST CHURCH, English speaking, Sun 9:00, 11:00, 7:00-8:00 p.m.
St. J. Robinson, 116, Tel. 01 737 29.

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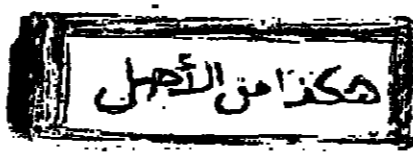
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Gore Assails Dukakis and Gephardt at A Debate

By Michael Oreskes
DALLAS — Senator Albert Gore Jr. of Tennessee, who for the most part had been waiting in the South for the presidential campaign to reach him, has assailed two Democratic rivals who are riding victories in the North.
Mr. Gore used a debate here to paint Governor Michael S. Dukakis of Massachusetts, who won the New Hampshire primary this week, as dangerously inexperienced in foreign policy. And he asserted that Representative Richard A. Gephardt of Missouri, who led the Democratic field in the Iowa caucuses on Feb. 3, was misguided on trade policy and had shifted his positions on everything from the minimum wage to abortion.
"Abortion," Mr. Gore said to Mr. Gephardt, "you gave it a 180-degree reversal on that issue."

Reagan's Budget: Alive and Kicking, but Surrendering Responsibility

By Peter T. Kilborn
WASHINGTON — For once, no one is calling President Ronald Reagan's budget "dead on arrival," as Democrats in Congress described most of his earlier proposals and as indeed they turned out.
The president and Congress have already agreed on the broad outlines of how much to tax and how much to spend, so the disputes this time are in the details.
But in the view of economists who specialize in monitoring public policy and of some people involved in writing budgets, the proposal Mr. Reagan submitted to Congress on Thursday merely magnifies a surrender of responsibility for the economy that has characterized budget-making since the president's first proposal.

The Main Elements of the President's Proposal

Compiled by Our Staff From Dispatches
WASHINGTON — President Ronald Reagan's budget plan for the 1989 fiscal year includes:
• Almost \$1.1 trillion in spending and receipts of about \$964.7 billion, including \$14 billion in new taxes, to produce a deficit of about \$129.5 billion, \$6.5 billion below the target required by the Gramm-Rudman-Hollings deficit reduction law.
• A \$299.5 billion military authorization, which includes \$5 billion for the Strategic Defense Initiative. The fourth straight drop in military spending, it would be achieved by cutting back on troop strength, scaling back the navy's fleet, tramping the number of air wings and canceling a variety of weapons programs.

would help and whom it would tax to mold the kind of society that it and the majority of the electorate desire. It is also often a tool for speeding up a weak economy or cooling off a strong one.
In both respects, it would seem to have served the president and the people who elected him relatively well. The delayed effects of the giant tax reductions that he and Congress enacted in 1981 helped lift the economy out of its harsh recession of 1981 and 1982 and lay the ground for an unusually long stretch of growth.
More important, in terms of setting priorities, the president has won the most dramatic shifts since the years after the Great Depression. John H. Makin, an economist at the American Enterprise Institute, calculates that military spending will end up \$270 billion more than it would have been under the pre-Reagan budgets, spending for Social Security and other programs that distribute benefits to all who

are entitled will be \$360 billion more, and nonmilitary, nonentitlement spending will be \$300 billion less.
The Reagan-era budgets also pose problems, though.
Most economists maintain that debt resulting from the deficits will keep the U.S. economy from growing as fast as it could, perhaps through the 1990s. Government borrowing competes with the borrowing that businesses do to expand, and this competition pushes interest rates higher than they would otherwise be. High rates, in turn, discourage private borrowing.
Large deficits in years of strong economic growth also inhibit the government's ability to turn to deficit spending at the time conventional wisdom says it should; when the economy falls into a recession and the unemployed and others hurt by such a downturn would need government aid.
With respect to national priorities, deficit spending also threatens to undo what it made possible.
The government, Mr. Makin said, will have paid \$422 billion more in net interest on the national debt than it was headed toward paying as Mr. Reagan took office. The interest payments eat up 14 percent of all federal spending, twice the level of a decade ago. Bringing the budget closer to balance means that the priorities for the country that the president and Congress set, such as low tax rates, high military spending and generous support of such benefit programs as Social Security, are in jeopardy.
Furthermore, the disputes in the Reagan era over the deficits have precluded much planning for the use of the government resources 5, 10 and 20 years from now. For example, the U.S. economy has shrunk as a share of the world's industrial economies from 40 percent in 1960 to 35 percent, and yet the U.S. military role remains as

large as it was after World War II. Rarely in a budget debate does Congress or the administration ask whether other industrial countries ought to share more of that burden.
The administration and some members of Congress maintain that Mr. Reagan's budget for fiscal 1989, which starts Oct. 1, is a bit of breakthrough in that all sides gave some hallowed ground in the negotiations in December that set the general outlines of the budget submitted Thursday.
Total spending would rise in this budget, but the president accepted a lid on military spending and went along with some tax increases, while Congress accepted some reductions in nonmilitary spending.
"Someone would view a willingness of Congress and the president to sit down and reach an accord over priorities as an expression of true leadership, not surrender," said James C. Miller 3d, director of the president's budget office. "We avoided a war. At least we agreed to an outcome by peaceful means."

The concessions, however, were modest. The agreement promised a reduction in the deficit for the current fiscal year to \$144 billion, down from \$150 billion last year, and to \$136 billion in 1989 — "a miserable little pittance," as Senator Bob Packwood, Republican of Oregon, put it in December. And now many economists' analyses suggest that the deficit will not decline at all.

BRIEFS

Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...

Leader Resigns

Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...

Bombings in Punjab

At least three persons were killed and 100 injured in four cities in Punjab...
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Resume ETA Talks

ETA said it was prepared to resume talks...
ETA said it was prepared to resume talks...
ETA said it was prepared to resume talks...

Al in Cyprus Vote

Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...

Case Dropped

Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...
Spain's Communist Party steps for a new leader willing to...



A Nicaraguan woman touching the face of Walter Calderon, a rebel leader known as Comandante Toño, in Managua. She was demonstrating in support of the contra leadership before the peace talks.

Cease-Fire Mediator Asks Sandinists To Yield on Major Points to Contras

By James LeMoyné
GUATEMALA CITY — In an effort to break the deadlocked peace talks here, the mediator offered his own proposal Friday and asked Nicaragua to make major political concessions to the rebels in return for a limited cease-fire.
The plea by the mediator, Cardinal Miguel Obando y Bravo, was made in the second round of talks between the Sandinists and the contra rebels. The cardinal is the archbishop of Managua and primate of Nicaragua.
Cardinal Obando called on the Sandinists to stop military conscription, to reopen political talks with the internal opposition in Nicaragua, to declare a full amnesty for all political prisoners and to guarantee full freedom of the press.
He called on the contras, in return, to concentrate their forces in cease-fire zones for a 30-day truce while negotiations about further democratization continued.
In a direct contradiction of the

U.S. Offer On Noriega Is Reported

By Elaine Sciolino
WASHINGTON — A top State Department official has told the president of Panama that drug indictments against General Manuel Antonio Noriega might be dropped if he and his top associates withdraw from politics and go into exile, according to U.S. officials and congressional staff members.
But the Justice Department said it had told the State Department official, Elliott Abrams, that it would oppose any move to drop the indictments against General Noriega, Panama's military leader.
This means that any decision to dismiss the charges would have to be made by President Ronald Reagan.

Arabs Ask UN Debate On U.S. Policy on PLO

By Paul Lewis
UNITED NATIONS, New York — Arab countries say that they are formally requesting an emergency session of the General Assembly to debate a U.S. move to close the Palestine Liberation Organization's observer mission at the United Nations.
Arab diplomats said Thursday that they hoped to hold the meeting Feb. 29 unless the latest news nullified that date or the Reagan administration agreed to submit the dispute to international arbitration.
"Here is a countdown," Clowis Malsoud, the Arab League representative, said in announcing the decision. "We have set in motion the machinery for protecting the PLO mission."

Britain Receives Data From U.S. On Waldheim

LONDON — The United States has sent Britain possible evidence about the alleged World War II interrogation of British commandos by President Kurt Waldheim of Austria when he served in the German Army, Prime Minister Margaret Thatcher said Friday.
Britain will show the documents, from the U.S. National Archives, to Professor Gerard Fleming, who took part in an international commission that recently investigated Mr. Waldheim's possible involvement in war crimes, she said.
Mr. Waldheim has denied involvement in questioning the six members of the Special Boat Service who were caught during a raid on the Aegean island of Alimnia in 1944 and later executed by the Germans. He is resisting pressure to step down as Austrian president.
Britain turned to the United States for help because its own file on the incident was destroyed by the Foreign Office in 1977.

Rare Tortoise Is Born In Zoo

HAMBURG — A matamata, a rare snake-necked South American tortoise, has been born in the Hamburg zoo, the first one in captivity.
It is 7 centimeters (2.5 inches) long and weighs 11 grams (0.4 ounces). Its mother, who weighs 8.5 kilograms, has been in the zoo for almost 30 years.

AMERICAN TOPICS

Recess Period Fading From Grade Schools
"Recess, once the fourth and favorite 'R' of elementary school education," is vanishing from American schools, Alice Dipho reports in The Washington Post.
That block of time when the school bell rings and children tumble out onto the playground to do as they please for a half-hour or so has either disappeared or been eaten into by multiplying state and local curriculum demands.
Some educators note that pupils today get to move around more, with separate classrooms for many subjects. Others say physical education, now a part of most curricula, takes the place of recess.
Not really, say parents in "Recess Initiative," a group trying to get recess restored in Loudoun County, Virginia. "Phys Ed is structured," said Rosemarie Alley, a member of the group, "Children are also graded in it, and it can be stressful."
Recess can be stressful, too, noted Betty Boehlmann, chairman of the Loudoun County school board. She said she had discussed it with some teachers: "The kids told me they'd hated recess. It was cold. Kids were

Short Takes

The U.S. farm population fell below 5 million last year, the lowest total in a century and a half, comprising only one of every 50 Americans. The U.S. Agriculture Department historian, Douglas E. Bowers, said the last time the country had fewer farmers was about 1820, when James Monroe was president. The U.S. population was then 3.6 million. The farm population grew to a peak of 32.5 million in 1916 and stayed near 30 million until World War II, when a steady decline began, falling to below 30 million in 1942, below 20 million in 1953 and below 10 million in 1970.
Although adding the status of a nurse to the Vietnam Veterans Memorial has been rejected by both the National Capital Planning Commission and Washington's Commission of Fine Arts, the U.S. Senate will hold hearings on the idea next week. In the House, Representative Robert K. Dornan, Republican of Cali-

Expanded Sports Coverage for the WINTER OLYMPICS in the IHT

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Herald Tribune INTERNATIONAL

Horror and Hope in Israel

Listen to the progressive echoes of history... President Kurt Waldheim of Austria rejects conclusions...

Two Retire, With Grace

I'm reminded of one of my favorite Biblical quotations: "The truth will set you free..."

Fairness Is Underfunded

There are two misleading aspects to the budget President Reagan sent to Congress on Thursday...

Other Comment

EC: A Boulder Is Moved

The sigh of relief heard all round the European Community needs to be followed by a deep intake of breath...

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982. KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER, Co-Chairmen...

OPINION The Brezhnev Foreign Policy Is Fading, Too

By Robert A. Manning

WASHINGTON—Having removed the name of Leonid Brezhnev from all public places, General Secretary Mikhail Gorbachev is now attempting the more daunting task of exorcising Mr. Brezhnev's foreign policy legacy...



Mr. Manning is a former diplomatic correspondent for U.S. News & World Report...

London's Security Obsession Has Dublin Smarting

By William Pfaff

LONDON—English-Irish relations are now at their worst since the 1985 agreement on cooperation between the two countries...

Again, EC Farmers Plow Around the Reform Talk

By Giles Merritt

BRUSSELS—The accord achieved at the European Community summit meeting here last weekend, centering on ways to curb Europe's runaway farm surpluses...

Coordinate, Harmonize, Cooperate...

By Hobart Rowen

WASHINGTON—At a recent discussion on international economic coordination, Henry Owen, who was President Carter's adviser on economic summit meetings...

The Brokers Might Still Have a Say

By Tom Wicker

NEW YORK—The Iowa caucus and the New Hampshire primary have mercifully passed away...

No Democrat may have a majority when the gavel falls in Atlanta

Iowa and New Hampshire also gained something of a lift into Super Tuesday...

100, 75 AND 50 YEARS AGO

1888: Peacetime Killers LONDON—There is a flutter among general officers, present and prospective...

Vertical advertisements on the right edge of the page, including 'REAGAN, M...', 'KOREA: Cabinet Named', 'ESBORT', 'PARLIAMENT', 'AMBIANCE', 'LONDON'.

Reagan, Meeting Kohl, Asks for Bigger Effort In Expanding Economy

WASHINGTON — President Ronald Reagan asked Chancellor Helmut Kohl of West Germany on Friday to do more to expand the German economy. "I told the chancellor I supported efforts he's made to stimulate the West German economy and I expressed the hope that he would do more," Mr. Reagan said at the end of talks with Mr. Kohl. He was referring to West German measures to reduce taxes and lower interest rates and to efforts by Washington to persuade Bonn to stimulate the German economy further to provide a bigger market for foreign imports.

Other West European capitals about the pace at which Washington is pursuing another arms control treaty following that signed in Washington in December to eliminate intermediate-range nuclear missiles. Both Moscow and Washington say they hope the next summit meeting will be highlighted by the signature on another accord, this time to cut stocks of long-range strategic weapons in each country by 50 percent. U.S. allies in Europe, but principally West Germany, worry about short-range nuclear weapons and the balance of conventional forces on the continent where Moscow and its East European allies have the numerical advantage. The U.S. official said Washington was well aware of those concerns and progress in talks on a new East-West forum for negotiating a reduction of conventional forces was part of the Reagan-Kohl talks. In a television interview before his discussions with Mr. Reagan, Mr. Kohl said, "My urgent desire would be that at long last we should make a beginning on negotiating on conventional disarmament."

BLAST: 14 Namibians Die

(Continued from Page 1) colony has languished as the guerrilla war continues. Negotiations have been hampered by Pretoria's insistence, backed by the United States, that an estimated 40,000 Cuban troops in Angola be withdrawn first. In 1973, the UN General Assembly recognized SWAPO as the "sole and authentic representative of the Namibian people," and five years later the UN Security Council passed a resolution calling for South Africa's withdrawal and UN-supervised elections leading to independence. Although the internal political wing of SWAPO remains legal and operates in Windhoek, many of its leaders have been detained in a police crackdown that began last August. The arrests followed a car bomb blast in a central Windhoek shopping center garage for which SWAPO claimed responsibility. No one was killed.

Sleeping Sickness Hits Chad

PARIS — Chad has called for international aid to combat an epidemic of sleeping sickness. The Chadian Embassy here said that about 10,000 people had been infected in southern Chad and that hospitals were unable to treat all of the victims.

DOLE: Image Battle Focuses on Senator's Disposition

(Continued from Page 1) come, his tendency to try to do everything himself rather than rely on aides. "Sure, he puts people down, but no more than any other executive or leader," Mr. Watts said. "He may be a little harder on people than others, but that's one reason he has been so effective." Mr. Dole's colleagues say the image of the slashing campaigner does not fit the Republican leader they know in the Senate. He can be a tough legislative fighter — "I did not become majority leader — it was Mr. Dole's idea — but in the Senate, several of his colleagues noted, he is at home and at ease and confident. "What were we seeing out there is the three-o'clock-in-the-morning Dole," said Sen. Dan Rostenkowski, "It's like he's not at home out there; he's not a natural campaigner." Mr. Dole is now in his third campaign for national office. The first two, in 1976 and an abortive run for the Republican presidential nomination in 1980, ended in defeat. For the first time in his public life, he has forced himself to speak openly about the horrible war wound that turned a strapping, athletic youth into an emaciated hospital patient. The experience left him bitter. Mr. Dole has told aides this year. But Mr. Dole and his advisers have also sought to turn the toughness that enabled him to overcome his injury into an asset, the counterpoint to the Bush "wimp" image. "Who do you want sitting across from Gorbachev?" he asked campaign audiences in New Hampshire. "Some people say Bob Dole is pretty tough," he said at another campaign stop. "Well, you better hope I'm tough. It's the future we're talking about."



Pope John Paul II in a procession for Ash Wednesday in Rome.

POPE: Encyclical Assails Rivalry

(Continued from Page 1) terms of their ethical significance. The pope does offer four specific recommendations: "To change the international trade system, which he says is 'mortgaged to protectionism and increasing bilateralism' that discriminate against developing economies. "To change the world monetary and financial system, which he sees as 'marked by an excessive fluctuation of exchange rates and interest rates, to the detriment of the balance of payments and the debt situation of the poorer countries.' "To find new forms of technology transfer, because 'there are frequent cases of developing countries being denied needed forms of technology or sent useless ones.' "Careful review and possible correction of the workings of international organizations, to improve their operating methods. Such a review 'presupposes the overcoming of political rivalries and the renouncing of all desire to manipulate these organizations.'"

SPY: U.S. Counterintelligence Experts Believe Israelis Had Another Agent

(Continued from Page 1) spy or spies in the U.S. government and does not conduct espionage against the United States or its interests. The alleged Mr. X, according to investigators, must have been so highly placed or in such a position that he could not regularly gather documents, whereas Mr. Pollard was a low-level analyst who had a courier card and whose job was to assemble information. Investigators concluded that Israel may have been more interested in protecting Mr. X than Mr. Pollard. Efforts by the U.S. government to probe for the identity of Mr. X ran into a stone wall in Israel, where officials heatedly denied there was or had been another spy, sources said. U.S. investigators also have been searching for evidence of a direct connection between Mr. Pollard's arrest on Nov. 21, 1985, and the Israeli role in secret arms sales to Iran. The previous August and September, Israel had shipped 500 American-made TOW anti-tank missiles to Tehran with U.S. approval.

Within weeks of Mr. Pollard's arrest, Lieutenant Colonel Oliver L. North, then an aide on the National Security Council staff, received Israeli permission to use \$800,000 left over from an aborted Israeli sale of U.S. military spare parts to Iran for "whatever purpose we wanted," Mr. North has testified. The money was used to buy military equipment for the Nicaraguan contra rebels, the first such diversion in the Iran-contra affair. One investigator said recently, "There has to be a connection." He added that "two of the most important events of 1985" to the United States and Israeli governments "were" occurring in a vacuum. Mr. Pollard has a near-photographic memory, the sources said, and was able to recall documents, dates and technical material on a broad range of subjects. He pleaded guilty to espionage charges. Justice Department investigators, including officials of the Federal Bureau of Investigation and polygraph specialists, concluded that Mr. Pollard was being truthful in his post-sentencing debriefings as he explained meticulously how he was able to visit the CIA, National Security Agency and other classified facilities to obtain documents from computers and files, the sources said. Investigators concluded that Mr. Pollard was telling the truth when he said he was working alone and was not directly aware of another Israeli spy, though he explained in detail how the Israelis gave him top secret information about what documents and files they wanted him to gather. The quantity and scope of the intelligence information that Mr. Pollard passed to Israeli officials during his 17 months of spying has yet to be explained in public. As pieced together from intelligence sources it included:

• One official referred to Mr. Pollard's access as "mind-boggling." During the course of the two-year Justice Department inquiry, investigators have established that the United States were often used to identify pro-Israelis in sensitive positions in the U.S. government. One source said that it was possible that Israel had several additional sources of U.S. intelligence information and not just a single Mr. X, and at least one senior Justice Department official has expressed skepticism that another Israeli agent will ever be found. But after being briefed on the case last month, Attorney General Edwin Meese 3d ordered that the Pollard case be kept officially open so investigators can pursue their inquiry. Several internal Justice Department memos on the case refer only to "Mr. X."

From June 1984 to November 1985, Mr. Pollard provided the Israelis with thousands of documents — about 500,000 pages, the sources said.

CHIRAC: Prime Minister Retracts World Cup Pledge

(Continued from Page 1) He described it without elaboration as "an ecological stadium that will surprise people, a stadium that will be large enough to stage a World Cup." An aide to Mr. Chirac acknowledged that the prime minister had said France would get the World Cup, but added that he knows the mechanism for getting the cup as well as anyone. "He might have carried away by the occasion," the aide suggested. "You have to take into consideration the circumstances under which the statement was made." Mr. Chirac issued a statement Friday clarifying what he said he meant to say in the first place. "The necessary investment for an appropriate stadium" in Paris. He described it without elaboration as "an ecological stadium that will surprise people, a stadium that will be large enough to stage a World Cup."

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KOREA: Cabinet Named

(Continued from Page 1) veer far from the policy of promoting export-driven growth while at the same time trying to deflect U.S. unhappiness with South Korea's growing trade surplus. Mr. Roh's chief economic planner, holding the title of deputy prime minister, will be Rha Woon Bae, who has been President Chun's trade minister. South Korean analysts and foreign diplomats said in telephone interviews from Seoul that the new cabinet, which is to take over when Mr. Roh is sworn in next Thursday, may prove to be only a caretaker operation until after the Olympics. The Party for Peace and Democracy, led by Kim Dae Jung, who opposed Mr. Roh in the presidential election, characterized the cabinet Friday as a partial government stake-up, United Press International reported from Seoul. Several members of the cabinet, including the foreign minister, were reported to have been in contact with the Democratic Party's presidential candidate, Kim Dae Jung, who is expected to lead the opposition in the forthcoming parliamentary elections, a party spokesman said. Several times since the Dec. 16 balloting, Mr. Roh said that he wanted to include an opposition figure in his cabinet. There is no such person, however. In part, that is because the mainstream opposition declined to submit names for consideration. But from the start, Mr. Roh's pledge was regarded as an unrealistic gesture. Despite the cabinet's familiar look, the incoming South Korean leader signaled that he was hardly wed to the status quo. For example, his prime minister, an appointment announced last week, will be Lee Hyun Jae, who resigned in 1985 as president of Seoul National University because of his disagreement with the Chun government's tough stand against campus dissidents. "Where Mr. Chun surrounded himself with fellow retired army officers, Mr. Roh named only one former military man, Oh Ja Bok, who will be the defense minister. "Only two ministers officially belong to the ruling Democratic Justice Party. Eight of the new faces are professors, businessmen and writers, including the only woman in the cabinet, Cho Kyung Hee, who is a former journalist. "The culture and information minister, Chung Han Mo, is also new."

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SPORTS / 1988 WINTER OLYMPICS

German Surprises Swiss In Women's Downhill

Compiled by Our Staff From Dispatches MOUNT ALLAN, Alberta — Marina Kiehl of West Germany, unheralded in the downhill race, skied to a gold medal in the wind-blown event on Friday as the two favored Swiss women finished out of the running.

ers skied off course and crashed into protective fences. Winds of up to 70 mph (115 kph) on Thursday had forced the race to be delayed for a day and some of the racers felt it should have been postponed again.

Figini said she "had a difficult run because of the wind. Visibility was poor and I had problems keeping within the course on top. I believe the race should have been stopped."



Marina Kiehl flying past a gate during her winning downhill run.

Soviet Skater Falls Behind 2 Brians

By Michael Janofsky New York Times Service CALGARY, Alberta — Brian Boitano and Brian Orser let the question linger Thursday night: Which of them will win the Olympic gold?



Brian Orser skating the men's short program.

Orser, the Canadian and world champion, won the short program of the men's figure-skating competition, but Boitano, the American champion who was second Thursday night, held the overall lead by virtue of his higher finish in the compulsory on Wednesday. He was second there; Orser was third.

OLYMPIC NOTEBOOK

Compiled by Our Staff From Dispatches The coach of the Italian men's downhill team, Antonio Sperotti, has been fired by the national ski federation after a controversy that erupted in the aftermath of the poor showing of his skiers in Monday's downhill.



Dan Jansen was overcome with emotion after he fell in the 1,000-meter speed skating race. It was his second fall of the Games.

For Dan Jansen, No End to the Bad Luck

By Thomas Bonk Los Angeles Times Service CALGARY, Alberta — For a speed skater to fall on a straightaway is like a one-car accident on a sunny day on a big, wide street with no one else in sight.

Jansen's Olympic experience is not something he will remember with very much joy. After he fell this second time, after he finally stopped sliding, Jansen stayed in a sitting position on the ice for a few seconds. He was too stunned to move.

The other U.S. skaters didn't fall or slip, but finished well out of contention. Tom Cushman was 17th and Nick Thometz was 18th.

Despite the Gusts, Mount Allan's Tough Slopes Win Respect

The Associated Press MOUNT ALLAN, Alberta — They said it didn't get enough snow. They said it was too windy. They called it Mickey Mouse.

Organizers Assailed Over Wind Delays in Ski Jumping

The Associated Press CALGARY, Alberta — Organizers of the Winter Games were warned two years ago that the ski jumping hill was exposed to high winds, but failed to deal with the problem, an event official has said.

Canadians Are Beaten By Finns In Hockey

The Associated Press CALGARY, Alberta — Finland surprised the host team, Canada, in ice hockey Thursday night, handing the Canadians their first loss of the Olympic tournament and tightening the race for medals.

OLYMPIC RESULTS

Table containing various Olympic results including Saturday's Events, Speed Skating, Luge, Hockey, Figure Skating, and Medals.

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Advertisement for Modern Seeking, featuring a large image of a person and text about finding a partner.

SPORTS

Carlos Monzon: Violent Life Leads to a Violent Death

Compiled by Our Staff From Dispatches
BUENOS AIRES — Carlos Monzon, who rose from shoeshine boy to become Argentina's greatest boxer, and an idol to millions, was formally charged Friday with the murder of his estranged lover.



Carlos Monzon, second from left, with police on the balcony from which his estranged lover, Alicia Muniz, fell to her death.

The results of an autopsy Thursday showed that Alicia Muniz, 32, whose skull was crushed in the head-first fall Sunday from a second-story apartment in the coastal resort of Mar Del Plata, 250 miles (400 kilometers) south of the capital, had been strangled to the point of unconsciousness before the fall.

Monzon, 45, was charged with "non-aggravated murder," which under Argentine law means murder without premeditation. He faces a maximum jail term of 25 years if convicted. Judge Guillermo Vallegos ordered Monzon transferred to a federal prison at Bahian, six miles from Mar de Plata.

Monzon, the world middleweight champion from 1970 until his retirement in 1977, and Muniz, a ballerina, were married in 1981 in Miami, Florida. But their marriage was never registered under the Argentine civil code, court sources said. They had been separated since 1984 and had been attempting a reconciliation, the sources said.

Maximiliano, their 6-year-old son, was asleep in the next room at the time of Muniz's death. "I beat all my women, except one, and nothing ever happened to any of them," local news agencies quoted Monzon as saying Tuesday in his defense.

The judge has ordered a psychiatric examination of Monzon, who suffered two broken ribs and a broken clavicle during a fight that preceded Muniz's death. About 500 people flooded to the apartment Tuesday when Monzon, his torso

swathed in bandages, reconstructed for police the events of an evening that, he said, was fuzzy because he had been drinking. "Murderer," yelled some spectators. "Champion," yelled others. Reporting on the case has been furious, and front-page news in all the newspapers and magazines. Friends and foes have been interviewed, as well as neighbors and people on the street.

Some chroniclers him as a story of a boxer gone awry. "The history is simple," the weekly magazine Gente wrote Thursday. "He was at one time a man who lived with his fists. His business was violence... he became an idol.

"Perhaps because of this, intoxicated by it all, he didn't understand that death is not a game, that you can't resurrect a life after 15 rounds." "There are many who want to dirty the image of Papa," Abel Monzon, 23, said this week. "But of this we are sure: Papa, our papa, is not a murderer."

His defenders include two sons, Abel and Carlos Monzon also has an older daughter — he is a grandfather — and Maximiliano.

Monzon rose from humble beginnings as one of 13 children in Santa Fe, 250 miles northwest of Buenos Aires, shining shoes

selling newspapers and lugging sides of beef in a meat-packing plant. But the incident that resulted in the death of Muniz, whom he met in 1978 on a flight to Europe, wasn't Monzon's first touch with violence outside the ring. He was charged with striking a photographer at a Christmas party in 1967, injuring the man's eye. Three other times he was charged with beating men in fights. During his illustrious ring career, he also fought with what the media here calls "his women." Those included his wife, two women who were called wives but whom he never married, and short-lived affairs with several actresses.

Police said his wife, Marcela (Pelusa) Beatriz, whom he married at age 19, needed eight stitches to close a cut above her right eye after she made a remark at a family dinner about Monzon's longtime girlfriend, Argentine actress Susana Gimenez. In February 1973, police said, Monzon was shot in the arm and shoulder but not seriously injured during an argument with his wife in the family's home in Santa Fe.

They eventually separated, but not before she brought charges of wife-beating, citing an incident in which, police said, he punched her at their son's birthday party. That resulted in a six-month jail term, but Monzon pleaded momentary insanity and was paroled before serving the term.

"Carlos is a great champion but as a person he isn't the same as what the cameras show," Mrs. Monzon has said. Monzon gave up boxing at the urging of his then-girlfriend, Susana Gimenez, with whom he eventually separated after a tempestuous relationship.

"Starting tomorrow, I'm just one more ordinary citizen and I won't have responsibilities any more," he said then. He had a record of 89-3-8, including 14 title defense fights. Since his retirement from the ring, Monzon has appeared in two Argentine movies, modeled professionally, purchased real estate and was preparing to promote a line of sports clothing bearing his name.

He apparently invested his earnings well, earnings that reached a half-million dollars per fight, not including television rights. He owns property throughout Argentina and, last week, flew to France to appear in Paris on a television show featuring boxing greats. But that may have been his final trip abroad for many years. (AP, AFP)

Modern Adventurers Seeking New Exploits

By David Falkner New York Times Service

NEW YORK — Swimmers, sailors, divers, climbers, chutists, pilots, runners, navigators and other explorers have been pursuing believe-it-or-not exploits forever. But adventuring has become something different today as the world has contracted, its last frontiers relegated to the Guinness Book of World Records.

"There really are no more Everests to climb, no more blank spots on the map to fill in," said Ned Gillette, a 43-year-old explorer-adventurer who last week launched a 600-mile (972-kilometer) rowing expedition from the tip of South America (Australia), across waters more treacherous than any others on the face of the globe.

"Adventuring today is doing old things in new ways," he explained recently. "Your imagination is as much a part of it as anything. You have to create a double adventure rather than answer to one already waiting for you."

At the same time that Gillette and three companions were getting under way in a 28-foot (8.5-meter) heavy-gauge aluminum boat called Sea Tomato, a 4-foot-11-inch, 90-pound (41-kilogram) woman named Pam Flowers was preparing for a created adventure of her own.

In early March, Flowers will undertake a 700-mile solo trek by dog sled from the northernmost tip of Canada to the North Pole, a route never before completed by a woman. She hopes to make the trip in 54 days, battling temperatures as low as 70 degrees below zero Fahrenheit (minus 57 centigrade), pressure ridges as high as 50 feet, polar bears and shifting lanes of sea that could take the ice from beneath her or force her 1,000 miles of course.

"The goal in any adventure is to give back as much as you put in."

In addition to these expeditions at the top and the bottom of the world, other adventures are planned soon:

• In Valdez, Alaska, the fifth annual gathering of the world's best ice-climbers takes place this month. These hardy souls test their climbing skills against frozen waterfalls, some so gnarled and fluted in their steep, spectacular drops that climbing them became possible only in the last 20 years, after advances in climbing equipment.

• In California, five pilots and their support team will be preparing a 70-pound pedal-powered plane that will be flown above the Aegean Sea for 74 miles, from Crete to Greece, this spring. The plane is expected to achieve a speed of no more than 18 mph, but the trip will be as physiologically and mentally demanding as space travel, say the project's organizers. The pilots are all champion bicycle racers.

• In Florida, Joe Kittinger, 59, a former air force test pilot who once bailed out of a plane at 102,000 feet and spent a record 4½ minutes in free fall, reaching supersonic speeds before opening his chute, will take off on a solo balloon flight around the world this year.

Gillette's rowing project fulfills an unspoken law of adventuring: the challenge has to be authentic. The task of building, equipping and manning a boat that has a chance to be rowed through storms, through ice-choked waters in poor visibility, is a supreme challenge, even to the most experienced adventurer. But beyond the rush of adrenaline and the surmounting of a formidable obstacle, there has to be something else. For Gillette, it is respect for nature and for history.

He chose Antarctica as a goal not only because of the danger, but because of the memory of Sir Ernest Shackleton, whose expedition in 1916 to that continent foundered on an ice pack that crushed his ship. The wreck precipitated a heroic but little-remembered five-man voyage in an open boat along a course roughly the reverse of Gillette's. "The goal in any adventure is to give back as much as you put in," said Gillette, who lives in Newport, Rhode Island.

Almost always, such exploits are undertaken with records in mind — and with plans of producing written accounts, films and bodies of research. Gillette's voyage, for example, will be filmed for television; a book will be written about it, and it will be the subject of an article in National Geographic magazine.

If Flowers could have it her way, she would not set out on her dog-sled trek alone. She was unable to find partners willing to share the harshness and danger of her journey. More important, she was unable to attract proper financial backing for it. But doing without has become a creative force for Flowers. She lives year round in a small Alaskan cabin without electricity or running water, saving most of her income from a job as a respiratory therapist for her expeditions.

The pedal-powered plane flight over the Aegean represents a collective dream. The Daedalus Project, sponsored by the Massachusetts Institute of Technology and the Smithsonian Institution, is an interdisciplinary effort, said John Langford, its manager. "It involves the combined efforts of design engineers, physicists, physiologists, computer scientists, classicists, and athletes," he said.

"We live in an age where the myth of the individual is supreme in our media. Daedalus in Greek myth is sometimes mistaken for his son, Icarus, who pridefully flew too close to the sun and perished. Daedalus was an artist and a scientist at the same time, a person who combined in himself the disciplines of many."

Perhaps even more curious than the dreams of modern adventurers is what they experience in the midst of extreme danger and hardship. For as different as adventurers are, they seem to share a way of looking at things under duress.

"I wasn't thinking of danger at all," Kittinger said, describing his supersonic free-fall parachute jump. "It was much too busy monitoring and tape-recording what was going on."

This same sense of busily attending to small details, he said, marked a record-setting solo balloon flight he made across the Atlantic in 1984. "And that was particularly true when there were storms and high winds," he said. "I'd be working double time then."

For Dr. Andrew Embick, the best known of the Valdez ice-climbers, there is the experience of the adrenaline rush, which he said "can last for days afterward, like a drug," and there is the experience of danger, which is perceived only afterward.

"You can't let emotions dictate or distract from basic tasks at hand," he said. "There's time to have your life flash before your eyes, but that's before you go out. Concentration, which you must have, eliminates everything else. It's only at night, after it's over, that your horizons and your imagination expand."

SPORTS BRIEFS

Couples' 63 Leads in San Diego Golf



LA JOLLA, California (AP) — Fred Couples finished with three consecutive birdies Thursday to shoot nine-under-par 63 and take the opening-round lead at the Andy Williams Open Golf Tournament.

Couples, who lost the Phoenix Open in a playoff earlier this year, birdied 10 of the 18 holes at the North course at the Torrey Pines Golf Club. He said, "It didn't seem easy. But it was a lot of fun."

Phil Blackmar, at 6 feet 7 inches (2 meters) the tallest player on the PGA Tour, birdied six holes in a row at one stretch and dropped a 60-foot eagle putt on his final hole for a 64.

Tom Watson played the longer, more difficult South course in 65. Gary Koch, who got a hole in one on the 12th hole at the North course, was in a group at 66 that included Hal Sutton, Jack Renner, Willie Wood, Mark Calcavecchia, John Cook and Dave Barr of Canada.

Seve Ballesteros of Spain shot 73, 10 strokes off the pace.

Tigers' Tanana Wins Arbitration Case

DETROIT (AP) — Pitcher Frank Tanana has won his arbitration case with the Detroit Tigers and was awarded \$1.1 million by arbiter Frederick Reel. The team had offered \$800,000.

In Seattle, Mark Langston, who led the American League in strikeouts last season, agreed Thursday to a one-year contract for \$820,000, getting a \$400,000 raise and avoiding an arbitration hearing scheduled for Friday.

Tanana was the fifth major leaguer to win his arbitration case this winter, while 10 have lost. The left-hander was 15-10 with a 3.91 earned-run average for the Tigers in 1987. Langston was 19-13 with 262 strikeouts. He can earn \$42,000 in incentive bonuses depending on \$975,000 in arbitration while the Mariners had offered \$675,000.

For the Record

Vieira Nunes, 42 has resigned as manager of the Portuguese first division soccer club Covilha in the wake of last week's 1-1 draw against third division Lousanense. Nunes was the 10th coach to quit in the Portuguese League this season. (UPI)

Quotable

• Joe Garagiola, on the eternal optimism of the Atlanta Braves' manager, Chuck Tanner: "If he were captain on the Titanic, he probably would've said, 'Don't worry, folks. We're just going to pick up a little ice, and we'll be on our way again.'" (LAT)

• Author Joyce Carol Oates, on the difference between boxing and other sports: "One plays football; one doesn't play boxing." (LAT)

• Robin Givens, a graduate of Sarah Lawrence College, retracing her romance with Mike Tyson, was stunned when she heard the heavyweight champion wanted to meet her: "Mike Tyson — it seemed grotesque. A fighter? Grotesque?" (NYT)

• Mike Tyson in reply: "Until she met me. Then I took her off her feet. I saved her." (NYT)

Soviets Are Courting Tennis Gold in Seoul

United Press International OAKLAND, California — With Olympic gold at stake in Seoul, the Soviet Union is concentrating money and effort on quickly developing world-class tennis players.

"We didn't travel for seven years," Olga Morozova, the coach of the Soviet women's team, said Thursday. "Then tennis came into the Olympics. Now we travel."

Since 1984, the Soviet efforts to develop tennis talent have been impressive, if not amazing. "They've come so far, so fast," said Sara Fornaciari, a senior vice president with ProServ Inc., a Washington, D.C., sports marketing firm. "It's incredible the accomplishments they've achieved."

Natalia Zvereva, 16, has cracked the top 20 in the world rankings. Larisa Savchenko, 21, was a finalist at two Virginia Slims events last year and teamed with Svetlana

Efforts at Improvement Since 1984 Have Developed World-Class Players

Parkhomenko to end the 53-match winning streak of doubles partners Martina Navratilova and Pam Shriver.

Leila Meskhi, 20, was ranked 21st in 1986, but by 1987 had climbed to 46th. The brightest talent may be 15-year-old Natalia Medvedeva, the current Soviet indoor champion, who has taken over for Zvereva as the dominant player on the girls world junior tennis circuit.

"I would like to see my children No. 1 in the world," Morozova said of her players. "There's still a lot of potential in each one. They're still young. They can go up and up and up."

Inc., the sports marketing firm. "Normally, we market athletes as individuals, but they are a special case," Fornaciari said. "They have a contract with Nike for shoes and clothing."

Morozova, who reached the singles final at Wimbledon 13 years ago, said the birth of Olympic tennis also has sparked interest among the Soviet Union's population in general.

"Tennis is a very popular sport," she said. "I see a lot of people playing tennis. It's a lot more popular now than when I was playing."

Fornaciari said the popularity opened the door for a professional tournament to be staged in the Soviet Union in the near future.

"Having the event there would expand the sport's horizon," she said. "I think it may be a couple years down the road."

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Doug and Loraine Cla. — 7,055,370.70

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Lotto 6/49 is an official lottery operated by the Provincial Governments of Canada. It's called Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpot. In addition to the six regular winning numbers chosen, there's one additional number drawn called

the "bonus number". If you have any five of the six regular winning numbers correct plus the bonus number, you win second prize. Any five, four, or three of the regular winning numbers correct wins you third, fourth, or fifth prize respectively.

There's a new draw twice each week (on Wednesday and Saturday), every week of the year. The jackpot is guaranteed to be not less than \$1 Million dollars in each draw. And if the jackpot is not won in the current draw, that prize money is carried over and added to the jackpot for the next draw, growing until it's won!

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PRIZE BREAKDOWN

Table with columns: PRIZES, NO. OF PRIZES, PRIZE VALUE. Rows include 1st Prize (\$13,890,588.80), 2nd Prize (\$443,481.60), 3rd Prize (\$370,740.70), 4th Prize (\$128,230.70), 5th Prize (\$10,000.00), Total Prize Value (\$24,433,228.10).

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When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$37,000,000 in prize money awarded. The prize breakdown shown here indicates the actual winnings for that draw.

SCOREBOARD

Basketball

NBA Standings

Table showing Eastern Conference and Western Conference NBA standings with columns for team, wins, losses, percentage, and games back.

U.S. College Results

Table showing U.S. College basketball results for various teams like Boston U, Connecticut, Duke, etc.

Hockey

NHL Standings

Table showing NHL Standings for Wales Conference and Patrick Division with columns for team, wins, losses, points, goals for, goals against, and games behind.

Transition

Baseball: Kansas City—Agreed to terms with Steve Baltori. Minnesota—Signed Billy Beane. National Basketball Association: Los Angeles—Signed Steve Nash. Hockey: Boston—Signed Steve Jitka. Philadelphia—Signed Steve Jitka.

Baseball

St. Louis—Signed Steve Jitka. Philadelphia—Signed Steve Jitka.

Hockey

N.Y. Islanders—Signed Brian Curran. Philadelphia—Signed Steve Jitka.

ARTS / LEISURE

Publishing Russians in America

By David Rernick
Washington Post Staffer
ANN ARBOR, Michigan — There is a house on a hill in Michigan. Huge porches, circular driveway, 25 rooms, a long view out to the woods...

Started as a hobby in 1971 by Carl and Ellen Proffer, a young academic couple whose innocence and enthusiasm endeared them to many Russian intellectuals...

These days Ellen, 43, runs the show. About 15 people can be working in the basement on a given day — translating, proofreading, typesetting on the computers...



Proffer, Mandelstam's "Stone," Nabokov's "Lolita," Brodsky's "Uranium" and Akhmatova's "Barn."

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The Intensity of Central European Art

By Benjamin Forgey
Washington Post Staffer
WASHINGTON — "Expressiv: Central European Art Since 1960," a hefty, intense, pro-satellite exhibition which opened Thursday at the Hirshhorn Museum...

and the United States. This is partially due to the restrictive policies of their governments, but it is also due to cultural pride and blindness in the West...

figures carrying a banner declaiming (in Polish) "We Demand Bread."
Dwurnik was a teen-ager when the great upheavals of 1956 shook the Soviet satellite states...

which does nothing but create martyrs.
Similarly, human presence and activity is strongly implied in the Czech Magdalena Jemelova's "Stairs" (1982-84)...

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of neglected authors, such as Andrei Platonov ("The Foundation Pit"), and even a bit of fun, such as a Russian translation of Martin Cruz Smith's "Gorky Park."
But literature sometimes comes to Ann Arbor in strange ways. In 1976, the Proffers received a package in the mail postmarked Vienna...

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THE PRINCE BLEW THEM AWAY!
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# Education: New Directions

## IN THE NEWS

**June 19: U.S. High Court Voids State Creationism Law**  
 The U.S. Supreme Court strikes down a Louisiana law requiring public schools teaching evolution to also teach "creation science." The court ruled 7-2 that the 1981 law transgressed the separation of church and state as required by the First Amendment. In its majority opinion, the court states that the "pre-eminent purpose of the Louisiana legislature was clearly to advance the religious viewpoint that a supernatural being created humankind."

**Sept. 1: Riots Flare Up On South Korean Campuses**  
 Over 9,000 South Korean students returning to school for the fall term fight policemen with firebombs and rocks in demonstrations against President Chun Doo Hwan's government. In June, large numbers of students led pro-democracy rallies that forced the government into accepting democratic reforms.

**Nov. 4: Bennett Presents Grant-Restriction Plan**  
 Reacting to his department's rising disbursements on loan defaults, the U.S. education secretary, William J. Bennett, unveils a plan to tighten eligibility requirements for colleges, universities and trade schools receiving federal aid. The plan restricts schools from participating in the Guaranteed Student Loan program if they fail to reduce their student-loan default rates to 20 percent or less by 1990.

**Dec. 1: U.K. Reform Bill Passes Second Reading**  
 Britain's Great Education Reform Bill passes its second reading in the House of Commons. The bill advocates a more competitive education system from primary to university and establishes schools that will give a more technological base to secondary school education. The bill is likely to become law by fall. However, the House of Lords, which can make amendments, could delay the bill 12 months if the government refuses to accept its amendments.

**Jan. 11: Two Educators Dismissed in China**  
 Stepping up a campaign against Western democratic ideas, the Chinese leadership dismisses Guan Weiyuan and Fang Lizhi, respectively president and vice president of the University of Science and Technology of China in the eastern city of Hefei. Mr. Fang, an astrophysicist, was a hero to many students for favoring independent thinking and more democratic local elections. He was accused by critics of calling for the "complete Westernization" of China.

**Feb. 18: French Report Decrees University Pay**  
 A government report criticizes a "verging decline" in pay, working conditions and status of France's 41,000 university professors, lecturers and teaching assistants. With half the 11,750 professorships due to fall vacant in the next 12 years, the report warns that rewards and promotion prospects are so bad that the universities have difficulty in finding "candidates of value, or even candidates of any description" to fill posts.

## IN THIS REPORT

**Soviet Schools 10**  
 A cadre of innovators is trying to incite pluralism in the Soviet system. The goals: to demystify the role of the teacher and make the students think for themselves.

**Teacher-Managers 11**  
 Experiments in "shared decision-making" are giving teachers a greater say in the running of their schools.

**Reform in Britain 12**  
 Britain's education system is set to undergo one of the biggest upheavals in its history.

**Italy Modernizes 13**  
 Italy is trying to modernize its university system in an effort to provide the research and expertise considered essential to the country's technological and economic progress.

**Creativity in Japan 14**  
 Japan is considering scrapping its rote learning system and introducing reforms aimed at producing "more creative" citizens.

**'Mayanization' 15**  
 Through 'Mayanization' education, Guatemala hopes to raise the literacy level of its rural population.

## U.S. Business Turns Attention to Workers of Future

Investing in Preschool Programs

Business has learned that it is more effective to design quality in from the beginning.

By Edward B. Fiske

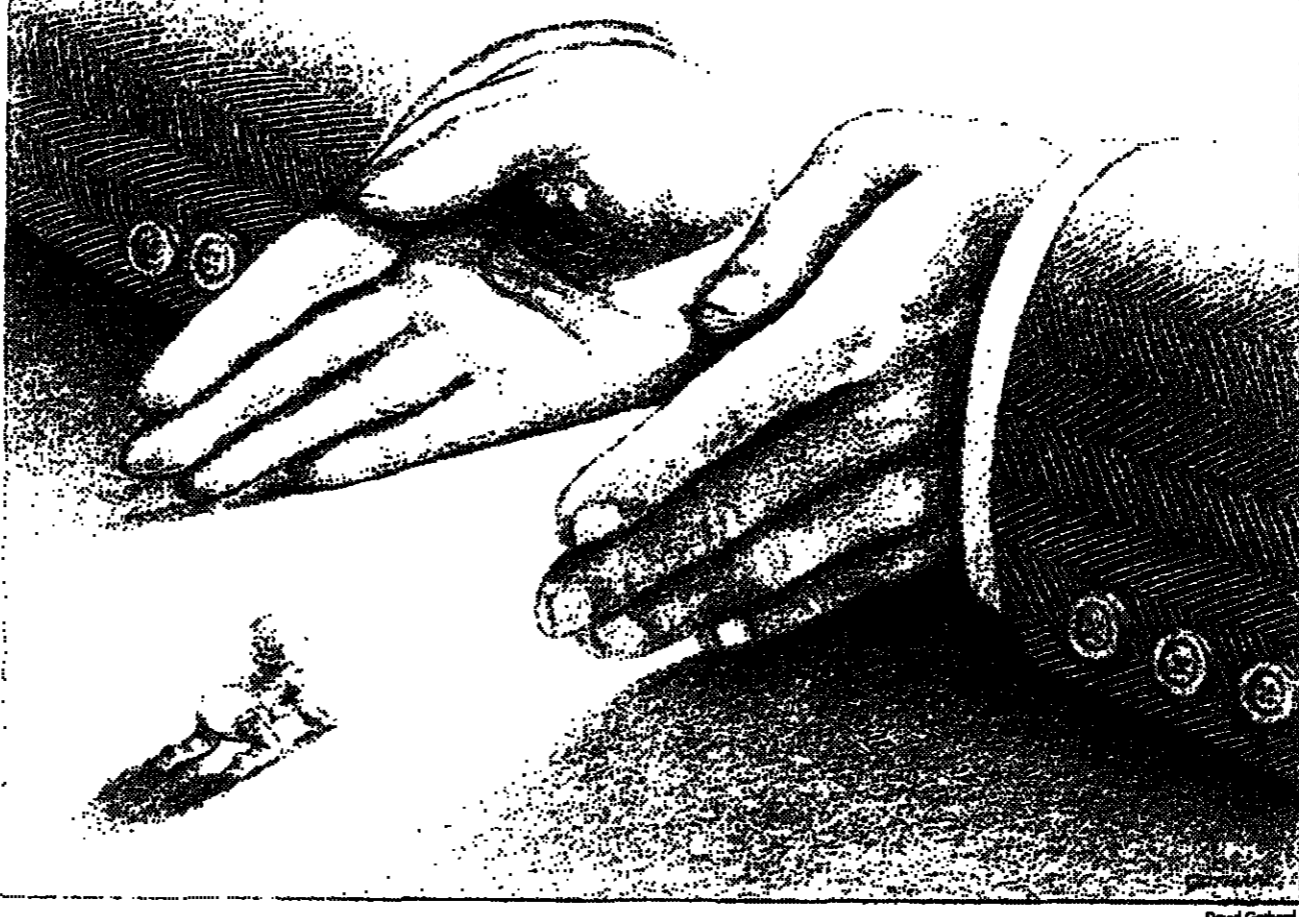
**N**EW YORK — American businessmen are starting to show a big interest in little children. The reason has nothing to do with the sales of Barbie Dolls and basketball shoes. Rather, corporate leaders have been looking into their crystal balls and have started worrying about where the work force of the future will come from.

Tipoff of the new concern came when the New York-based Committee for Economic Development, a group of high-powered executives, issued a report calling for massive public and private investment in health care and preschool programs for disadvantaged 3- and 4-year-olds.

Without such programs, they warned, poverty and ignorance could cause shortages of qualified workers in coming years and threaten the United States' competitive stance in a global economy.

"American business has learned forcefully in the last 10 years that it is a lot more effective to design quality in from the beginning than to correct things later," explained Owen B. Butler, the retired chairman of the Procter & Gamble Company, who played a key role in writing the report. "If we spend this money now, in the long run we will reduce our tax burden."

In one sense, the growing corporate interest in preschool children is merely the logical extension of a concern about education at all levels. Recent years have seen a proliferation of "adopt-a-school" programs, in which companies affiliate with particular primary or high



David Gohard

schools and provide help, ranging from financial support to teaching to job placement. Coca-Cola sponsors the Valued Youth Partnership program in San Antonio, Texas, that seeks to reduce the middle and senior high school dropout rate by identifying "high-risk" students and giving them an opportunity to serve as tutors of younger children.

In Chicago, the advertising firm of Ogilvy and Mather, in partnership with Roberto Clemente High School, trains students for entry-level positions in their graphics department.

Another idea that is spreading rapidly is that of the Boston Compact. Five years ago, Boston business leaders got together with educational and community leaders there to set

up a program under which local companies provide summer jobs for high school students and virtually guarantee employment for high school graduates in the private sector. The resulting assurance that staying in school and working hard will lead to a job has led to significant improvements in school attendance rates and test scores.

The main reason for the growing corporate concern about educational quality is simple: the United States faces the possibility of a severe employment crisis.

By 1990, according to current projections, the impact of new technologies is expected to drive the total number of jobs in the private sector to 156.6 million, or double the number

in 1978. If these projections are accurate, employers will have 23 million more openings than there will be Americans equipped to fill them.

Population experts say that the problem is not that there aren't enough adults to fill the jobs. Rather, the difficulty is that millions of potential employees lack the fundamental literacy skills and work habits to do the work.

Moreover, demographic trends exacerbate the problem. The percentage of poor and minority group students — those who have traditionally not been well served by public schools — is rising and will continue to climb in the foreseeable future.

In 1985, according to the Institute for Edu-

cational Leadership, minorities represented 17 percent of the total U.S. population. By the year 2020, this proportion is expected to rise to more than one-third. If schools cannot figure out how to do a better job of educating these growing populations and turn them into productive workers and citizens, then the stability of the economy could be threatened.

"Our industries will be unable to grow and compete because an expanding educational underclass will be unable to meet the demands of such jobs," said the report of the Committee for Economic Development. "Moreover, these young people will not enjoy the levels of literacy needed to make informed choices about their lives or to carry out the responsibilities and reap the rewards of citizenship in a democratic society."

The report, entitled "Children in Need: Investment Strategies for the Educationally Disadvantaged," urges the business community to become a "driving force" in seeking higher public financing for early intervention programs.

Among the steps it proposes are these:

- Prenatal and postnatal care for pregnant teen-agers and other "high-risk" mothers as well as a follow-up health care for their infants.
- Parenthood education programs for both mothers and fathers, including guidance on nutrition.
- Quality child-care arrangements for poor working parents that stress social development and school readiness.
- Quality preschool programs for all disadvantaged 3- and 4-year-olds.

**T**HE idea of heading off later educational problems by pouring resources into early childhood programs is one that is catching on across the country. In 1986, 22 states spent \$338 million, or twice the amount of the previous year, on programs for preschool children.

Missouri and Minnesota now require local school districts to offer programs on parent-teacher skills for low-income families. New York City has a new program called Project Giant Step that offers educational, health and other services to 4-year-olds from low-income families.

Much of the interest has been stirred by reports showing that early childhood intervention programs can have significant long-term effects. Some of the research has focused on

Continued on page 11

## Job Skills Gap

## China's New Worry: Supply vs. Demand

By Daniel Southerland

**B**EIJING — Education is lagging behind economic change in China, and Beijing officials are close to admitting that a crisis exists in the education system.

A year ago, the crisis was students demonstrating in city streets. The conditions fostering protests have not changed. Many students still want more freedom and Western-style democracy.

At many universities students are still jammed together, eight to a dormitory room on the average, eating unappetizing and unvarnished food. Bad food and study conditions were two of the problems that led to demonstrations last winter.

But university administrators seem to feel that they have potential demonstrators under control for the moment.

The universities, government and Communist Party used a combination of intimidation and persuasion to contain last winter's demonstrations.

Many students now say the demonstrations were naive. Most students have since decided to concentrate on advancing their careers and working within the system.

But leading education officials now worry that many university graduates are incapable of meeting the country's practical needs.

The alarm was sounded at a five-day national conference on higher education held in Beijing last month.

At the close, acting Prime Minister Li Peng said that, despite rapid growth in recent years, universities are failing to meet the needs of economic modernization.

Some universities, Mr. Li said, are "blindly" trying to produce undergraduate and advanced degree holders without regard to whether they will be effective members of society.

Other officials said that many secondary schools neglect local needs and vocational training and instead concentrate on preparing students for national college entrance examinations.

The newspaper China Education News reported recently that most of China's 377 agricultural vocational schools have difficulty getting enough students. Then, most of the graduates of these secondary schools, no matter how limited in number, don't want to work at the jobs for which they have been trained.

What the newspaper described as a "crisis" in agricultural schools occurs at a time of economic troubles. Grain crops are failing to reach targets and China has had to reimpose pork rationing.

China went diploma crazy in the late 1970s with the restoration of formal education. This marked a sharp break with the

Officials worry that many graduates are incapable of meeting China's practical needs.

anarchy of the Cultural Revolution years of 1966-76 during which Red Guards persecuted intellectuals and universities were closed.

In 1977, after China's pragmatists toppled the radicals, Deng Xiaoping, the paramount leader, decided to raise the quality

Continued on page 14



Elizabeth Sandoz/Agence Vu

A dormitory and a university classroom reflect crowded conditions among China's institutes of higher education.



## 'Diploma Disease' French Debate Overhaul of Elitist School System

By Barry James

**P**ARIS — What makes Jean — or Jeanine — run? In France's elitist state education system, one of the prime motivating factors is the fear of failure, the fear of being bounced down or out if grades fall short of standard.

From the first year of grade school to doctorate level, French education is an obstacle course from which survivors emerge with top awards and the corresponding economic and social status, but which leaves plenty of casualties along the way.

In principle, schools are supposed to bring each child to maximum performance according to his or her capacity. Some take this obligation seriously. But, in effect, most schools tend to weed out the less academically gifted in successive stages.

Last year, about 85,000 adolescents left public schools at the legal age of 16 after 11 years of education with zero qualifications and small hopes of getting a decent job in a society where one-quarter of people between the ages of 16 and 24 are out of work.

Education is a central political issue in France, all the more so in the period leading up to the presidential elections this spring.

Last December, the minister of national education, René Monory, proposed improvements designed to ensure that by the end of the century, three out of four students — a total of 600,000 each year — leave school with a diploma of secondary education known as the *baccalauréat* rather than 42 percent as at present.

Mr. Monory's argument is that the Western world is entering a new industrial revolution that requires workers to be more highly educated. His plan was elaborated by a special committee on education and the economy. It is now before an inter-ministerial committee and is not likely to reach Parliament before the presidential election, which could, of course, result in its being stifled at birth.

Debate about the plan has tended to focus more on its cost than on whether or not radically increasing the number of qualifications would be of benefit to society.

Michel Godet, an economist and academic, questions that assumption in an article in the current edition of *Le Monde de l'Education*. He said the Monory plan could have catastrophic effects on the ability of society to adapt to changing circumstances. He predicted that it would produce a society "rigidified by a hierarchy of diplomas as the *ancien régime* was rigidified by titles of nobility."

Already, Mr. Godet said, France suffers from a veritable "diploma disease" that classifies people by their ability to pass examinations rather than their abilities, their sense of responsibility and initiative, or their capacity for continued learning.

Both public authorities and private companies, he said, tend to assess job candidates on the basis of often irrelevant academic qualifications rather than on actual work performance, even though competence in many jobs is acquired by actually doing the work.

"Multiplying the number of diplomas," he said, "doesn't create jobs, it merely devalues the diplomas."

It leads to a phenomenon, he said, whereby the more a diploma becomes devalued, the more necessary it is to get it. Raising the theoretical level of education, he said, will create an ever more insurmountable obstacle to professional advancement for those who fail to achieve the necessary paper qualifications.

Under the Monory proposals, a quarter of the student population still would leave school with low or no qualifications. The minister himself, who left school without qualifications before what is now the legal leaving age of 16, would not have much of a career opportunity under the proposed order.

Mr. Godet said that France would adapt better to the new industrial revolution not by creating what he called an excess of diplomas but by working out new relationships between school and the workplace. He said the example to follow is that of West Germany, where more

Continued on page 12



Experiments in Administration

'Management Teams' Give Teachers Bigger Role in Running Schools

By Edward B. Fiske

NEW YORK — Earlier this year the North Miami Elementary School...

teachers must indeed be treated more like "professionals."

give teachers more of a say in how schools would be run.

systems and seek to spread the word about new ways to run schools.



Jean Pierre Gaudin

One area that teachers appear to be ambivalent about moving into is teacher evaluation.

"My kids are really learning," said Mercedes Hunter, a third grade teacher at Palmetto Elementary School.

'It's the classroom teachers who know what kids need. It's time to let them try things that they think will work.'

Educational historians frequently point out that public schools tend to organize themselves in imitation of the prevailing industrial models.

Rochester where the schools superintendent, Peter McWalters, and Adam Urbanek, head of the teachers union, engaged in several months of discussions designed to work out a better way of running schools and cutting down on a dropout rate that had reached 30 percent.

At four schools, for instance, the management team eliminated the job of assistant principal and used the money saved to pay for teacher aides, after-school programs or other activities.

At South Miami Junior High School, which prides itself on a program for artistically talented students, the governing council cut out eight teachers' jobs.

In some cases, the teachers have even decided to hire nonunion personnel. The parents at Palmetto Elementary School complained that their children were not learning enough Spanish, so the management team arranged to transfer the Spanish teacher to another school.

Before, you would have gone to a faculty meeting and be given the decision as if it came down from heaven above.

Other school systems experimenting with the idea include those in Rochester, New York, and Hammond, Indiana.

The trend is rooted in the growing conviction that, if American schools are to be improved, radical changes must be made in the way they are organized.

Increased testing, dismissal and suspension has given some of the universities and the military...

Division of the Super... however, rejected it reasoning with a school...

affidavit and exhibits... the judge wrote, "it is of what Pope said in a little learning is a danger...

years ago, Arthur E. Lewis book, "Legislated Learning: Bureaucratization of the American Classroom,"...

Wise, who is director of the Study of the Role of the Professional in the Rand Corporation, reviews what has happened in an article, "Legislated Learning: Revisited,"...

In the new report, the businessmen argue that it makes "no economic sense" to allow an "educational underclass" to persist.

"This nation cannot continue to compete and prosper in the global arena when more than one-fifth of our children live in poverty and a third grow up in ignorance," they say.

Wise warns that "radical changes" are needed to give parents and teachers more control in the classroom.

Progress, for example, has been made in the area of teacher evaluation.

Wise wrote his critique of the current system in his book, "The Power of the Bureaucracy,"...

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Workers of the Future

Continued from page 9

we will not only impoverish these children, it will impoverish our nation — culturally, politically and economically.

EDWARD B. FISKE is the education editor of The New York Times.

the Perry Preschool Project in Ypsilanti, Michigan, which helped cut later dropout rates and welfare dependency in half.

For businessmen the appeal is strengthened by arguments of cost-efficiency. Research from the U.S. House Select Committee on Children, Youth and Families shows that \$1 invested in quality preschool education can return nearly five times that much because of the lower costs of special education, public assistance and fighting crime.

For example, investment of \$500 a year in compensatory education can save the \$3,000 cost of having a child repeat a grade.

There is not a lot of long-term data on the effects of such programs, but there is enough to say that it is a good idea to go ahead and do more," said Mr. Butler.

The 45-year-old Committee for Economic Development is a public policy research group whose 225 trustees are mostly top corporate executives. Its chairman is Edward B. Fitzgerald, chairman and chief executive officer of Northern Telecom Limited.

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THE result was a new teachers contract that set up school-based planning committees made up of teachers and administrators.

The Rochester plan is likely to have considerable national influence because this upstate New York city is also the home of the new National Center on Education and the Economy, which is being set up by New York Governor Mario M. Cuomo with \$1 million of initial support from several national foundations.

EDWARD B. FISKE is the education editor of The New York Times.

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Linguistic Autonomy ■ Modernization

Belgium Plans to Realign Power

By Jane Marshall

BRUSSELS — The head of a French-speaking school in a Flemish area of Belgium is dismissed because she fails an exam in Dutch, while Flemish authorities thwart plans for a school for French-speaking children in the Flemish town of Overijse.

Belgium has tried to adapt its school system to reflect linguistic realities.

The administration now in charge is the same four-party coalition that resigned last year. It is composed of Flemish and French-speaking Liberals and Flemish and French-speaking Christian Socialists.

Before the election, the government was drawing up possible amendments to the constitution, including the proposal on education.

The six biggest parties — those of the present coalition plus Socialists from each language group — are broadly in favor of this proposal. The exception was the French-speaking Christian Social Party, which feared that the Socialists in Wallonia were gaining too much power and that too much of the educational budget was going to Flanders.

But the party is now less implacable, following an agreement with the other parties under which safeguards were introduced. These concerned the strengthening of the Arbitration Court, which oversees constitutional disputes, and of the Schools Pact, which in 1959 ended a long and bitter quarrel between the Roman Catholic Church and the non-clerics, and guarantees parents freedom of choice of school, including the option of whether their children follow a religious or lay education.

When a new coalition is formed — which might not be for some months — it will decide what priority to give the education legislation. If, or more likely, when it goes through, there will no longer be ministers for education in the national government; they will be appointed from the elected community authorities, which will then have full control over the administration of education.

Another major change will be the transfer of the education budgets from the central state to the communities. The language dispute that led to the general



Schoolchildren in French-speaking Fourons, which has been at the center of a dispute over language rights.

election in December involved the dismissal of the French-speaking acting mayor of Fourons (French) or Voeren (Dutch), a district of six villages in east Belgium, for refusing to per-

form his official duties in Dutch as required by law. Although the town is officially in Dutch-speaking Limburg Province, its population is predominantly French-speaking.

The mayor, José Happart, a Socialist, was re-elected last July by Fourons residents. Mr. Happart had been dismissed from office in 1986.

With their two principal languages, Dutch and French, the Belgians have staked out large autonomous territories, and they have tried to adapt their educational system to reflect these linguistic realities. But now that balance of power in education is poised for change. At issue is a proposal to transfer control of education from the national government to the linguistically determined community authorities. Under Belgium's federal system, each of the country's cultural entities — French-speaking, Dutch-speaking and German-speaking — has regional powers in economic and cultural affairs.

A number of educational responsibilities already fall under the jurisdiction of these elected community authorities. By law, teaching in Flanders is in Dutch; in

JANE MARSHALL, a journalist based in Brussels, contributes to the London-based Times Educational Supplement.

Italy Moves to Forge Closer Links Between Universities and Research

By Janet Stobart

ROME — Italy, which over the last 50 years has carried out few radical reforms of its university system, is now trying to modernize its 54 state universities in an effort to provide the research and expertise considered essential to the country's technological and economic progress.

Although Italy ranks fifth among the world's most industrialized nations, its universities have failed to keep pace. In Europe alone, it ranks 10th in the annual number of university graduates. Its principal universities are overcrowded and only about 30 percent of university students actually graduate.

In recent years, attempts have been made to modernize higher education. In 1980, for instance, research doctorates were established although government legislation has still not defined their role, either financially or academically.

A fundamental conceptual change was advanced last July under the government of Prime Minister Giovanni Goria, a Christian Democrat, bringing higher education more in line with changes in technology. University control shifted from the Ministry of Education to the Ministry of Scientific Research under the Socialist Party minister and former dean of Rome University, Antonio Ruberti. The move is expected to receive formal parliamentary approval early next month.

The industrial and technological leaders believe that university education has not been keeping pace with the changing employment requirements of the country's fast growth in these areas. Research is an essential part of this growth and its natural breeding grounds are universities, say industrialists and educators, so it makes sense to incorporate research with higher education.

Research has been relatively ignored by state administrators, with private and a few state industries investing in their research programs rather than recruiting

from or coordinating with universities.

Under the new Ministry of Scientific Research and Universities, research is to receive new attention. State researchers, employees of the National Council of Research, are to receive hefty pay rises — around 70 percent — to bring them into line with university teaching staff salaries.

State investment in industrial research, especially favoring small and medium-sized industries, which are particularly scarce in Italy, are to receive about \$620 million over the next 12 years in the form of easy credit for research projects.

The National Council of Research will also pledge to increase its projects in the South of Italy, which at present has only about 8 percent of the country's researchers, and bring the South's quota up to 30 percent or 40 percent.

"In a country which is preparing for tough economic competition teaching must be interchangeable with research and vice versa," said Mr. Ruberti, the research minister. "A professor must have the possibility if he wants of going off to an institute of research for a few years and then returning to his teaching post, otherwise the whole system remains rigid."

There is some resistance within the Ministry of Education, which is run by Giovanni Galloni, a Christian Democrat. However, both he and his party have agreed to the changeover while emphasizing the need to keep didactical links between university and high schools.

And some education lobbyists warn that university education may become too much part and parcel of the world of industry and technology. What, they ask, will happen to research and higher education that are not connected to business, technology, industry or science? What will happen to the humanist faculties?

"We are not particularly worried about that," said a Communist senator, Giuseppe Chiarante, who is head of the cultural affairs section of his party and a member of the parliamentary education commission.

'In a country which is preparing for tough economic competition teaching must be interchangeable with research and vice versa.'

"Italy has a strong enough tradition in the humanist studies. It just lacks the will to change. What is important is to forge closer contacts between research, in any field, and university studies," he said.

Another major step to modernize the university system is a legislative proposal to give greater autonomy, concerning both budget and teaching curricula, to university boards, which up to now have been strongly controlled by the unwieldy and bureaucratic Ministry of Education.

Considered by Mr. Ruberti of utmost importance to the future of university education, the legislation replaces a less forceful one presented during the government of Prime Minister Bettino Craxi and calls for total freedom of choice by university boards in preparing curricula and budget spending. Research programs hitherto subject to final state approval will no longer have to report to the ministry.

There is also a project to institute more variations in levels of

academic qualifications, such as a two-year university diploma that would be followed by specialist studies, "to ensure the kind of articulated response needed to meet the changing demands of the labor market," Mr. Ruberti said.

The ideas emerging from these proposals are for a more independent higher educational system with a more balanced field of studies.

Today's young academics tend to overburden the better-known universities, like Milan, Rome, Naples and Bologna, and desert the lesser-known provincial ones,

which, nonetheless, offer equally valid degrees. They also favor faculties that appear to offer a greater chance of employment, such as medicine, computer sciences or law.

Some universities are already trying to change and to offer courses in line with new employment opportunities. This is particularly true in the South, where, for instance, Calabrian universities offer courses in agriculture, engineering and natural physics in an area that needs development.

In the tiny but relatively new University of Potenza in the region of Basilicata, there are courses in advanced agriculture with agronomy, forestry, alimentary science as well as urban and rural planning and geophysics — the earthquake of 1980 destroyed villages in this highly seismic area and massive rebuilding programs are needed.

Reorganizing curricula to better suit the job market, Mr. Ruberti said, will ensure a balanced reassessment of the present fragmented and multiple degree courses. A recent count showed that Italian degree courses offered 10,000 different study courses. It will also ensure that humanist studies are not neglected or overwhelmed by science programs.

The new ministry is receiving crucial support from educators. The Reverend Cosimo Daniano Fonseca, dean of the University of Basilicata, hopes that this means a university education "will now train young people to stay and work in the South of Italy instead of being forced to emigrate."

According to Carlo Giliberto, dean of Naples University, there has been an increasing weakness

in links between high school and university organization. School-leavers no longer graduate to university teaching and high school students receive little specific education to prepare them for university studies. This situation has forced university boards away from the tutelage of the Education Ministry to a closer collaboration with the Research Ministry.

Despite criticism of similar experiments to move universities to

the research ministry in other countries, such as France, there is a general feeling that this is the right move for Italy. If nothing else, "the move was made necessary by the total bureaucratic paralysis of the Education Ministry," said Senator Chiarante.

JANET STOBART is a freelance journalist based in Rome.

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NYSE volume down	1,222,000
OTC volume up	1,111,000
OTC volume down	1,222,000

High	Low	Close	Chg.
Composite	144.1	145.13	+1.22
Industries	124.8	127.8	+2.28
Utilities	124.8	127.8	+2.28
Finance	124.8	127.8	+2.28

**Friday's NYSE Closing**  
Via The Associated Press

Class	Prev.
Advanced	1.25
Declined	2.00
Unchanged	1.00
Total Issues	1.00
New Issues	1.00

Class	Chg.	Week Ago	Year Ago
Composite	+1.75	+1.25	+1.25
Industries	+1.75	+1.25	+1.25
Utilities	+1.75	+1.25	+1.25
Finance	+1.75	+1.25	+1.25
Insurance	+1.75	+1.25	+1.25
Transport	+1.75	+1.25	+1.25

Vol.	High	Low	Last	Chg.
Eastman	12228	25 1/4	25 1/4	+ 1/2
Verizon	2116	43 1/4	43 1/4	+ 1/2
Verizon	2116	43 1/4	43 1/4	+ 1/2
Verizon	2116	43 1/4	43 1/4	+ 1/2

Class	Chg.
Bonds	+0.15
Utilities	+0.15
Industrials	+0.15

Class	Prev.
Advanced	1.25
Declined	2.00
Unchanged	1.00
Total Issues	1.00
New Issues	1.00

Buy	Sales	5911
Feb. 19	221,244	11,790
Feb. 20	248,297	12,419
Feb. 21	194,871	9,749
Feb. 22	203,172	10,151

Open	High	Low	Last	Chg.
Index	146.75	148.00	147.13	+1.22
Trans	124.8	127.8	127.8	+2.28
Util	124.8	127.8	127.8	+2.28
Comp	124.8	127.8	127.8	+2.28

High	Low	Close	Chg.
Industries	124.8	127.8	+2.28
Utilities	124.8	127.8	+2.28
Finance	124.8	127.8	+2.28
SP 100	124.8	127.8	+2.28

Class	Prev.
Advanced	1.25
Declined	2.00
Unchanged	1.00
Total Issues	1.00
New Issues	1.00

High	Low	Close	Chg.
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Industries	124.8	127.8	+2.28
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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month	High	Low	Stock	Div. Yld.	PE	52	High	Low	Class	Chg.
AA	17 1/2	17 1/2	AA							
AA	17 1/2	17 1/2	AA							
AA	17 1/2	17 1/2	AA							

### NYSE Up Sharply on Late Rally

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange closed sharply higher on Friday in moderate trading, when a late rally broke the market's two-day pause and sent the Dow Jones industrial average solidly beyond 2,000. The Dow, which fell 14.58 points Thursday, rose 28.18 points to close at 2,014.59. For the four-day week, the index gained 31.33 points, or 1.6 percent. Monday was a holiday.

Advancing issues topped declines on Friday by a ratio of more than 2-1. Volume totaled 180.3 million shares, compared with the 151.43 on Thursday.

Broader market indexes also advanced. The New York Stock Exchange index rose 1.82 to close at 146.96. Standard & Poor's 500-stock index rose 3.70 to 261.61. The price of an average share added 40 cents.

The Dow gained nearly 20 points in the final hour after trading in a narrow range for most of the session. Analysts said some of the late activity was linked to stock index options that expired and futures that came due near the session's close.

Stock purchasing picked up at that point, and index futures advanced. The higher futures triggered some program buying, in which arbitrageurs sell the high-priced index contracts and purchase the relatively cheap stocks that comprise the indicators.

"The 2,000 level is purely psychological," said Gail Dudack, a market analyst with S.G. Warburg & Co. in New York. "I think we'll get another 100 points after 2,050," the level it achieved in early January, "but that will take a little more time."

The Dow breached 2,000 Tuesday for the first time since Jan. 7, when the index closed at 2,051.89, its highest level this year.

"People need strong justification to buy stocks now. They feel they don't have enough information on the economy," Ms. Dudack said. "I think we got a little used to have spectacular weeks when the market moved sharply up or down. Then, everyone was complaining about the volatility. Now, everybody is complaining about how quiet things are."

Jon Groveman, head of equity trading at Ladenburg, Thalmann & Co., said, "The question is whether 2,000 is going to represent a top or something big. There are a lot of fits and starts."

Putnam Premier was the most active NYSE-listed issue, unchanged at 10.

Northeast Utilities followed up 3/4 to 20 1/2. New American High Income Fund was third, unchanged at 14.

AT&T was up 1/4 to 29 1/2. IBM was up 3/4 to 113 1/2.

Texasco gained 1 1/2 to 42 1/2. The company said the investor T. Boone Pickens had requested regulatory approval to buy a stake in the oil giant.

Among other blue chips, General Electric was unchanged at 43 1/4. American Express was unchanged at 25 1/4. Eastman Kodak was up 1/4 to 42 1/4. Sears was up 1 to 37.

12 Month	High	Low	Stock	Div. Yld.	PE	52	High	Low	Class	Chg.
AA	17 1/2	17 1/2	AA							
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12 Month	High	Low	Stock	Div. Yld.	PE	52	High	Low	Class	Chg.
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**Forward Rates...**

**Dollar Values...**

**Interest Rates...**

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Statistics Index: ANEX prices, P.M. ... U.S. Stocks Report, Page 16

ECONOMIC SCENE

Taking Some of the Steam Out of the Stock Market

By PETER PASSELL New York Times Service NEW YORK — Is Wall Street drowning in a tide of trading? Complaints about the Street's casino mentality are treated as no more than public relations headaches by the exchanges and the big brokerage houses. Nor are they taken seriously by most free-market economists, who see rapid turnover as the welcome consequence of increased competition and computerization.

One estimate is that funds spent almost \$1 in fees for every \$6 earned as owners of stock.

Louis Lowenstein, professor of law and economics at Columbia University, has now built on Mr. Tobin's skepticism, arguing that excessive liquidity has turned "shareholders into traders and investors into gypsies." He estimates that, in turning over its entire portfolio annually, the average fund spent almost \$1 in fees for every \$6 it earned as an owner of stock.

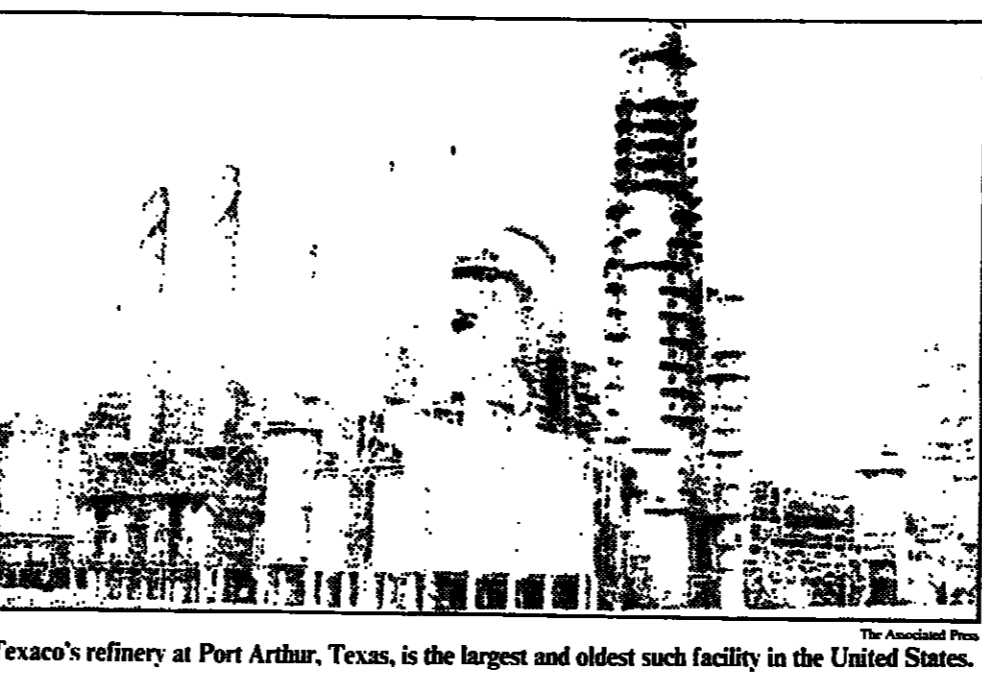
Alliance Seen on Générale

French, Belgian Group in Talks

BRUSSELS — A group of Belgian and French companies is close to forming an alliance to rival the bid by Carlo de Benedetti to control Société Générale de Belgique, financial sources close to their talks said on Friday.

Share analysts said that the new Belgian and French group, if it can agree on an alliance, probably owns more of Générale than Mr. de Benedetti does.

Share analysts said that the new Belgian and French group, if it can agree on an alliance, probably owns more of Générale than Mr. de Benedetti does. The financial diary De Tijd quoted sources as saying Groupe AG had doubled its stake in Générale to 8 percent. Mr. Lippens declined to confirm the reports.



Texaco's refinery at Port Arthur, Texas, is the largest and oldest such facility in the United States.

Texaco Stock Soars on Saudi Report

Venture Seen as Essential to Ward Off Pickens and Icahn

NEW YORK — Shares of Texaco Inc. rose in active trading Friday, buoyed by an announcement by T. Boone Pickens that he intended to seek up to 15 percent of the company and reports of a possible accord to spin off its major refining assets into a joint venture with Saudi Arabia.

AT A GLANCE

Table with columns for Revenues and Earnings, Lines of Business, and other financial metrics for Texaco.

U.K. Car Sector Faces Unrest At Rover, GM

Ford Workers To Get \$3,700 Each in Profit

LONDON — The British auto industry faced more strike threats Friday from thousands of workers despite the settlement of an 11-day walkout at Ford Motor Co.

in correct image of Britain," he said.

Land Rover is arguing that its pay package would put £13 (\$22.75) a week more in its workers' pockets than Ford assembly line workers received as part of their new settlement.

Currency Rates

Table of currency exchange rates for various countries including Australia, Belgium, Canada, etc.

Interest Rates

Table of interest rates for various financial instruments like Treasury bills, Eurocurrency deposits, etc.

In U.S. Contest for Air Routes, Tokyo Is Top Prize

By Martha M. Hamilton Washington Post Service

WASHINGTON — The three major U.S. airline companies brought their heaviest hitters to town this week in a battle for a scarce but valuable commodity: the right to fly from the United States to Japan.

U.S. Money Market Funds

Table showing performance metrics for various U.S. money market funds.

Gold

Table of gold prices and market activity from various locations like Hong Kong, London, etc.

Murdoch Delays Deadline On Closing New York Post

The Associated Press

NEW YORK — Rupert Murdoch, owner of the New York Post, re-entered negotiations on union concessions Friday and stopped the clock on his deadline for closing the oldest continuously published U.S. daily newspaper.

Receive 12 weeks of Value Line for \$95

This trial subscription is open to you only if no member of your household has subscribed to Value Line in the past two years. We make this special offer because we've found that a high percentage of new subscribers who try Value Line stay with us on a long-term basis.



Robert L. Crandall, the chairman of American Airlines.



Frank A. Lorenzo, Texas Air's chairman and chief executive.



Stephen M. Wolf, the new chief executive of United Airlines.

At stake is a foothold in the Pacific market, the fastest growing and one of the most lucrative markets for airline traffic.

United's right to the Seattle-Tokyo route when it approved the carrier's acquisition of Pan Am's Pacific division. The prize in the department's proceedings is the right to fly a single nonstop round-trip from the Seattle-Tacoma International Airport to Tokyo, with no visit to carry passengers beyond that destination.

Even so, American and Continental, which is a unit of Texas Air, are fighting vigorously to acquire the route, and United is fighting vigorously to keep it.

United, which made a major effort in those markets, now has 23 percent of the traffic between the United States and Japan. Japan Air Lines is the leader in the market, with 30 percent of the traffic, followed by Northwest Airlines, a longtime provider of service to those markets that has about 28 percent of the traffic.

Winning the right for additional service from the United States to Japan would be difficult because it would require the consent of the Japanese government. As a result, the chance to provide service, however limited, has led to aggressive competition.

United, the current holder of the route, won it in 1982 after a long battle. In 1985, it also acquired Pan American World Airways' extensive Pacific route network.

As a result, United acquired the right to serve Japan, the principal gateway to other Pacific markets, from Los Angeles and San Francisco. It also acquired crucial "beyond" rights: permission to carry passengers beyond Tokyo to other destinations, such as Hong Kong and Seoul.

The Department of Transportation scheduled the reconsideration

Advertisement for HARRY WINSTON Rare Jewels of the World, featuring a list of cities (New York, Geneva, Paris, Monte Carlo, Beverly Hills) and contact information.

Advertisement for Indigo Ideas, a financial planning service, with contact details for Indigo Investment, S.A.

Advertisement for EDWARD'S COLIBRE MALTA, featuring a map of Malta and contact information.

# Friday's NYSE Closing

Tables include the nationwide prices up to the closes on Wall Street and do not reflect late trade elsewhere.

12 Month High Low Stock Div. Yld. PE 52 Wks High Low Class. Cl. Off. Chg.

Table of stock prices for various companies including IBM, AT&T, and others. Columns include stock name, price, and change.

Table of stock prices for various companies including General Electric, Ford, and others. Columns include stock name, price, and change.

## Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company financial results including revenue, profit, and share price for various firms like IBM, AT&T, and others.

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## NYSE High-Lows

Table listing the high and low prices for various NYSE stocks.

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## AMEX High-Lows

Table listing the high and low prices for various AMEX stocks.

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## U.S. Futures

Via The Associated Press

Table of U.S. futures prices for various commodities like wheat, corn, and soybeans.

## Grains

Table of grain futures prices including wheat, corn, and soybeans.

## Livestock

Table of livestock futures prices including cattle and hogs.

## Currency Options

Table of currency option prices for various international currencies.

## Financial

Table of financial market data including interest rates and bond yields.

## Paris Commodities

Table of Paris commodity prices for various goods.

## London Commodities

Table of London commodity prices for various goods.

## London Metals

Table of London metal prices for various types of metal.

## Dividends

Table of dividend payments for various companies.

## Spot Commodities

Table of spot commodity prices for various goods.

## DM Futures Options

Table of DM futures option prices.

## S&P 100 Index Options

Table of S&P 100 index option prices.

## Blue Circle Says Bid Fails

LONDON — Blue Circle Industries PLC, the British cement giant, said Friday that it had counted wrong when it announced victory last week in a bid to buy a factory company, Birmid Quatcast PLC.

## More Large U.S. Banks Vulnerable to Takeover, New Report Finds

LOS ANGELES — Weak stock values and lagging profits mean that many of the largest U.S. banks are vulnerable to the kind of takeover that has reigned corporate America in the 1980s, according to a study by a management consulting group.

## Arabian Oil Said to Buy Stake in North Sea Field

TOKYO — Arabian Oil Co. has agreed to buy a 5 percent stake in a developed Norwegian North Sea field from Conoco Inc. for an amount known price, oil industry sources said Friday.

Table of stock prices for various companies including IBM, AT&T, and others. Columns include stock name, price, and change.

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Vertical advertisement for 'Friday's ME Closing' and other financial services, including 'Blue Circle Says Bid Fails' and 'Arabian Oil Said to Buy Stake in North Sea Field'.

BUSINESS ROUNDUP

Federated Rejects Campeau's Latest Bid

NEW YORK — Federated Department Stores Inc. rejected Campeau Corp.'s latest \$5.9 billion takeover bid on Friday amid signs that institutional investors were pressing the retailer to reconsider.

Kodak Says Polaroid Seeks \$5.7 Billion in Patent Suit

ROCHESTER, N.Y. — Eastman Kodak Co. said Friday that Polaroid Corp. was seeking damages of \$5.7 billion to settle the instant-camera patent infringement case pending between the two companies.

Kodak called the amount "indicative" and "ridiculously inflated." The amount of damages had previously been filed with the U.S. District Court for Massachusetts but was made public on Friday.

In 1985, a Boston court ruled that Kodak had infringed on seven Polaroid patents and ordered Kodak to pull out of the instant-photography business. The trial followed years of legal wrangling. Kodak launched its instant-photo business in 1976.

Kodak said that in its calculation of the damages, Polaroid asserted that it had lost profits of \$3.2 billion, including interest, because of

for 90 million shares because the Canadian company had not proved it could finance what would be the seventh largest takeover ever.

Federated, the fifth largest U.S. retailer, said a committee of independent directors "had received no new information from Campeau to indicate that Campeau had the financing for such a transaction, and that Campeau's ability to arrange

"It's almost like a Catch-22," said Monroe Greenstein, an analyst with Bear, Stearns & Co. "A lot of Campeau's financing is contingent on a friendly deal, so it's not lined up in cement. But Federated is saying that unless it's lined up in cement, don't come to us. It's a way of saying no without saying no."

Federated was under pressure from stockholders in part because of its restructuring plan and in part because of rumors on Wall Street that New York-based Kohlberg Kravis Roberts & Co. was preparing a \$7.2-billion offer.

Analysts said Kohlberg Kravis would be forced to line up the sale of some of Federated's 15 divisions before making a firm offer.

Late Tuesday, Federated announced it was considering selling more than half of its more than 650 stores, possibly issuing preferred stock and repurchasing at least 50 percent of its common shares.

Morgan Stanley Loses Cox

NEW YORK — After 23 prosperous years at Morgan Stanley & Co., including the past 11 as managing director in charge of the firm's successful London office, Archibald Cox Jr. has decided to resign.

S. Parker Gilbert, chairman of Morgan Stanley Group Inc., said he regretted Mr. Cox's decision, which was announced Thursday. He saluted Mr. Cox for his "extremely important role" in building the firm's "successful international business" and said Mr. Cox would become an advisory director effective April 1.

When Mr. Cox took charge of the London office in 1977, it had a staff of 20. He oversaw its growth into a full-service office, with nearly 1,000 employees today.

Mr. Cox, 47, a Harvard Business School graduate, said in a telephone interview: "I don't know what I'm going to do." He said he did not intend to go into business for himself or join another brokerage firm.

TEXACO: Saudi Plan Seen as Essential to Ward Off Pickets and Icahn

(Continued from first finance page) can be more thoroughly restructured than management wishes.

"This makes it all the more likely that Texaco will be a drastically changed company in a few months," said Kurt H. Wulff, an investment advisor who has closely followed Mr. Pickett's activities for McDep Associates of Short Hills, N.J.

To take the upper hand in its battle with Mr. Icahn, Texaco must solidify the Saudi deal, sell other assets and undertake a recapitalization plan, analysts said.

Mr. Pickett's investment in Texaco Limited Partnership, an oil and gas

ASEA Expected to Report Steady '87 Profit

STOCKHOLM — The Swedish electrical group ASEA AB is not expected to report a significant profit increase for 1987 when it releases results Monday, but analysts say the more crucial issue is the success of its recent merger with Brown Boveri & Co. of Switzerland.

"The 1987 figures are less interesting," said Johan Bergman of the Swedish brokerage Hagglöf & Ponsbach. "What will really count this year is how the merger between the two companies develops."

ASEA reported a profit of 2.53 billion kronor (\$416.3 million) in 1986 on sales of 46 billion kronor.

The highest estimate of 1987 profit by the analysts contacted was about 2.7 billion kronor. Some predicted that the figure would be unchanged from 1986, in line with ASEA's own forecast in November.

The company's profit was exceptionally high in 1986, boosted by an 2.8 billion kronor order for a Swedish nuclear reactor. But "demand for ASEA's products has stayed high," one analyst said.

Perry Barnevik, ASEA's president, said in November that profit had fallen during the year in the company's power generating and financial services sector, but improved within the power distribution and transmission units.

Analysts predicted that the new merged company, ASEA Brown Boveri, would be able to improve cost structure and raise yields. It began

operations Jan. 1 as the world's largest electrical engineering group.

Mr. Barnevik, who was appointed to head ASEA Brown Boveri, has said it should report sales of \$20 billion in 1988. He has not released forecasts of profits or dividends.

Analysts expect Brown Boveri & Co. to report a 1987 net profit Monday of 140 million to 170 million Swiss francs (\$99 million to \$120 million at current rates), up from 96 million francs in 1986, Reuters reported from Zurich.

The figures will cover the Swiss engineering group's last year of operations before its activities were merged Jan. 1 with those of ASEA AB of Sweden to form ASEA Brown Boveri AG.

Analysts said Friday they expected the 1987 figures to show that widespread restructuring measures introduced by Brown Boveri before the merger began had already begun to bear some fruit.

"We expect a profit of 160 million francs, and that is on the safe side," said Bruno Hauser, an analyst at Bank J. Vontobel. "Anything less would be disappointing."

Kurt Bucher, an analyst at Credit Suisse, estimated 1987 net profit at 140 million to 150 million francs.

Last spring, Brown Boveri predicted that profit would double to about 200 million francs for the year. But it backtracked in November, saying it still expected a substantial increase but that a doubling was unlikely because of currency developments and uncertainty on stock markets.

Friday's AMEX Closing

Table listing stock prices and changes for AMEX.

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Spot Commodities

Oil Futures Options

Oil Futures Options

Oil Futures Options

Oil Futures Options

Oil Futures Options

Oil Futures Options

Various financial news snippets and advertisements.

CURRENCY MARKETS

Dollar Ends Lower in N.Y., Europe

NEW YORK — The dollar ended lower Friday in New York and Europe, subdued in part by a Swiss central banker's remark that further declines in the currency could not be ruled out because of nagging trade imbalances.

Apart from the impact of the statement by Pierre Languein, president of the Swiss National Bank, trading was dominated by technical factors amid a dearth of corporate interest, dealers said.

The dollar closed in New York at 1.7090 Deutsche marks, down from 1.7125 DM at Thursday's close. It slipped to 130.15 yen from 130.25, to 5.7730 French francs from 5.7860, and to 1.3995 Swiss francs from 1.4100.

It also retreated against the British pound, which closed at \$1.7495, against \$1.7420 Thursday.

Dealers noted that the dollar had traded in a narrow range all week. It eased from the highs seen after a report the previous Friday that the U.S. trade deficit narrowed to \$12.2 billion in December. But overall, the currency showed little inclination to make a decisive move higher or lower.

The dollar had closed a week earlier at 1.715 DM and 131 yen on the trade report. But the dollar lost steam this week, dipping as low

Table with 3 columns: Currency, Rate, and Change. Includes London Dollar Rates for CHF, FRF, DM, and SF.

as 1.6995 DM and 129.80 yen on Thursday after remarks by Japanese officials that it could fall further this year.

In Europe, dealers said the dollar was likely to remain soft next week. In the absence of any fresh news, they said, currency markets will probably continue to dwell on recent warnings that continuing trade imbalances will depress the currency.

In London, the dollar closed Friday at 1.7045 DM, marks, down from 1.7104 DM Thursday, and at 129.90 yen, down from 130.05.

Both closings were nonetheless above from the day's lows.

The dollar was also weaker against the British pound, which closed at \$1.7505, against \$1.7435 on Thursday.

It had fallen sharply in the morning on the remarks by Mr. Languein. The reaction demonstrated that dealers were seeking an excuse to

sell the dollar, one British dealer said. Some dealers said Mr. Languein's statement, coming after the comments by Japanese officials on Thursday that the dollar may fall further in the medium term, would probably weigh heavily on the market next week.

"In general, people are still looking for the U.S. trade balance to show sustained improvement," a dealer said. "Until that happens the basic sentiment isn't going to improve."

Another dealer said, "What they're telling you is what all these coin types have been saying all along, that the dollar still isn't finished on the downside yet."

With central bank officials seeming to be talking the dollar down, the scope for any advances next week is limited, another trader observed. "They're probably looking for a slightly lower level, but nothing dramatic," he said.

The pound closed in London at 74.3 on its trade-weighted index, unchanged from the previous close.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.7079 DM, up from 1.7049 on Thursday.

The dollar closed in Zurich at 1.3985 Swiss francs, down from 1.4008.

Bonn and Paris Said to Reject Adjusting EMS

PARIS — France and West Germany have ruled out a realignment of the European Monetary System at present, sources say.

Altering the parity of the franc and the Deutsche mark would run counter to the signal sent by authorities in both countries when they coordinated monetary policy last year to ease growing pressure within the system, they said.

The major question remains the amount of the differential between the two nations' interest rates, adjusted for inflation, that is appropriate for France, the sources said.

"There is currently no reason to modify the franc/mark parity and we are now in a period of catching up with West Germany, our ambition being to do better than them in mastering costs and disinflation," a source said.

Economists expect the inflation differential between the two countries to have fallen to around 1.8 points last month.

SLIDE: Amid Surprisingly Little Outcry, U.S. Standard of Living Declines

(Continued from Page 1) enjoy a somewhat higher standard of living than historic levels in Western Europe. Figures provided by the Organization for Economic Cooperation and Development show that economic growth of non-communist European countries averaged 1.8 percent a year, after adjustment for inflation, from 1981 through 1986, compared with about 2.6 percent for the United States.

The chief concern for U.S. economists is the nation's indebtedness. Despite an average annual economic growth rate of about 2.6 percent since the early 1980s, consumption has expanded by about 3.5 percent a year, with the difference financed by foreign creditors.

This has become a tiresome issue to many Americans, who have grown accustomed to seemingly constant admonishments by allies in Western Europe and Japan to spend less. Yet, economists argue that debt eventually will be the biggest drag on future lifestyles.

"Take a hard look at the situation," Mr. Packer said. "What we have done over the last eight years is stopped paying for social programs and started paying holders of Treasury bills."

The market collapse seems to have galvanized Washington into action to restrain, if not significantly reduce, the federal budget deficit. But economists say this will do little to stem the rise in the nation's overall indebtedness.

Not until the U.S. economy can produce more than it consumes, will the pace of indebtedness slow. However, that means diverting more resources to industries specializing in exportable goods rather than those catering to domestic demands.

Even then, analysts do not foresee a surplus in U.S. trade accounts for 10 or 15 years. And many economists are unsure about how long it will take to pay off creditors.

Last summer, the Committee for Economic Development, a research group funded by U.S. corporations, warned that U.S. external debt could reach \$800 billion by the early 1990s, compared with estimates of about \$400 billion now. That would mean that the United States would have to come up with \$56 billion a year just to pay interest and dividends to foreign creditors. This translates into an annual payment of roughly \$230 from each American.

"For the last five years, we have been living beyond our means," said C. Fred Bergsten, head of the Washington-based Institute for International Economics. "Inevitably more and more resources will have to be paid overseas. It's logical that the standard of living will probably grow very modestly or even stagnate for a few years."

Mark Andersen, an economist for the AFL-CIO, added: "This could be a milestone around the neck of the economy that will go on for the next 40 years."

To some degree, the heavy borrowing has obscured changes in living standards that began years ago. Since the early 1980s, when the dollar rose to record heights, U.S. manufacturers have been going through a painful restructuring to improve their global competitiveness. As a result, more jobs are being created in the lower-paid service sector. This has tended to depress overall incomes despite substantial gains in employment, according to Mr. Packer of the Hudson Institute.

One measure used by economists to gauge the drop in income is the average weekly earnings of private nonfarm workers published by the Labor Department. When measured in constant 1977 dollars, average weekly earnings peaked at \$201.78 in 1972 after rising for 25 years. By April of last year, they averaged \$168.28.

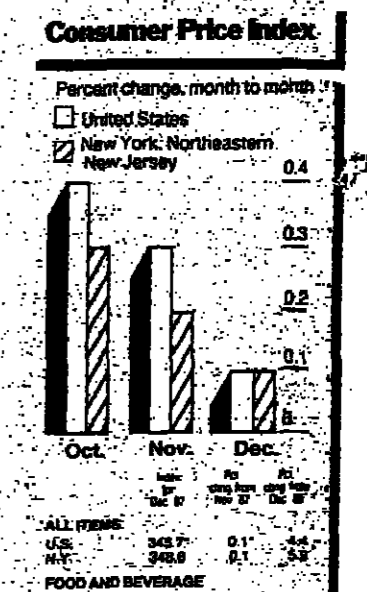
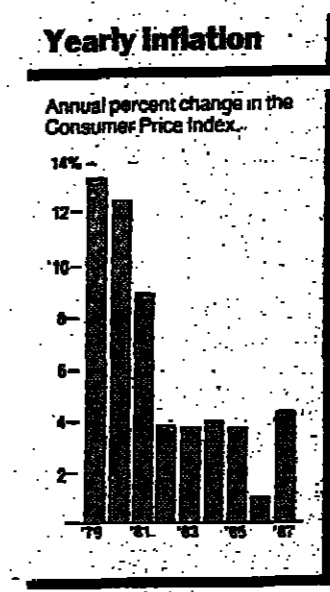
Last year, wage increases averaged only 3.1 percent compared with an inflation rate of 4.4 percent, the biggest gap since 1980, when the consumer price index, the main measure of inflation, rose 12.4 percent and wages increased 9.9 percent.

"Paychecks for blue-collar workers don't go as far as they used to," Mr. Bergsten said.

Despite the setbacks, Americans have managed to maintain their lifestyles. Women joined the workforce in unprecedented numbers, expanding the number of two-income families to a record.

But Census Bureau figures show that the share of households with \$20,000 to \$60,000 in pretax incomes dropped to 49 percent in 1985 from 53 percent in 1973, a trend that appears to be gaining momentum.

A Gary Shilling, who heads his own economic consulting firm in New York, estimates that further cost-cutting by industry will reduce



the middle income proportion to 38 percent by 1995.

More disturbing to Mr. Shilling is the growing number of households falling into the lower brackets. He estimates that, using the basis of constant 1985 dollars, 50 percent of American families will have incomes below \$20,000 by 1995 compared with 39 percent in 1973.

"Costs make a difference. The only way to save manufacturing jobs is to be more competitive," he said.

What puzzles some observers is that there has been little public outcry. Ever since Herbert Hoover delivered his famous "chicken in every pot" speech, discussions about living standards have evoked strong passions and seem particularly pertinent during the current presidential election year.

Yet, surveys continue to demonstrate a pervasive optimism among American consumers.

The AFL-CIO's Mr. Andersen says a big problem confronting organized labor is the overriding concern to preserve jobs in the manufacturing sector, often at the cost of higher compensation.

Another factor is that many economists are not convinced that the nation will have to engage in belt-tightening in the future. The disagreement underscores the political dimensions of any debate about living standards, but it also points up the problems associated with measuring such a vague economic indicator.

Gross national product, which

measures the value of the country's total output of goods and services, tells little about how wealth is shared. And while most economists track income and consumption patterns, other analysts may focus on the number of cars owned by the average family.

Herbert Stein, former chairman of the council of economic advisors under Presidents Richard M. Nixon and Gerald R. Ford and now an economist at the American Enterprise Institute in Washington, argues that current concerns about living standards are misplaced.

"We're a nation where per-capita consumption is close to \$12,000," he said. "If that doesn't sound very fast, it does not mean misery."

To Mr. Shilling, the private consultant, however, Americans cannot avoid the hard times ahead.

"People find it difficult to accept because we've been living well for a long time," he said. "But this is a bad dream that's going to go away."

Weekly Report On M-2, M-3

New York Times Service

NEW YORK — The Federal Reserve Board has decided to report weekly, rather than monthly, changes in the broadly defined M-2 and M-3 money supply measures, along with the narrower M-1, because it has developed reliable seasonal adjustments.

The change, announced Thursday, is unlikely affect financial markets much because it probably will not change the Fed's orientation to monetary policy, analysts said.

In recent years, Fed policy has been guided by the economy's strength, inflation and currency developments.

Funds-Rate Rise Called a Technical Glitch

NEW YORK — The recent brief rise in the federal funds rate was merely a technical glitch and not a sign that the U.S. Federal Reserve is seeking to tighten credit, according to economists.

On Feb. 12, when the Fed drained reserves from the banking system through four-day matched sales, the funds rate — the rate banks charge each other on overnight loans — was 6.5 percent. But by late Tuesday, funds were as high as 7 percent, raising doubts about the Fed's commitment to an easier monetary policy.

A Fed spokesman said Thursday, however, that special factors had complicated reserve management in the week ended Wednesday.

On Feb. 12, the Fed had a shortfall of reserves because of lower than expected float. As a result, the

central bank had a large, single-day net miss in its projection of reserves.

But with the Presidents Day holiday the next Monday, the situation persisted for four days.

The error was significant enough so that when business reopened on Tuesday, the Fed moved quickly to add reserves to the banking system.

On Tuesday, customer repurchase agreements totaled \$1.5 billion and on Wednesday, \$2 billion.

The operations helped reduce upward pressure on funds. They traded Thursday and Friday at 6.25 percent versus Wednesday's average of 6.79 percent and Tuesday's average of 6.9 percent.

Economists say they believe that the Fed is aiming for a fed funds range of 6.5 to 6.625 percent, down from the 6.75 to 6.875 percent that has recently prevailed. Funds aver-

aged 6.65 percent for the week ended Wednesday, up from 6.38 percent the previous week.

The \$254 million a day in bank borrowings during the latest period far surpassed the \$200 million-a-day average of the previous four weeks.

Economists noted that the Fed made clear in the minutes of the Dec. 15-16 Federal Open Market Committee Meeting and the January 5 FOMC telephone conference, released Feb. 12, that it would return to the policy before the October market collapse of targeting borrowings rather than fed funds to maintain monetary policy.

"After the crash, the borrowings got confused," said David Wysz of Data Resources Inc. Now that the market has calmed down, he added, the borrowings are easier to

Friday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table of NASDAQ OTC prices for various stocks, including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table of 12-month high/low stock prices for various companies, including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

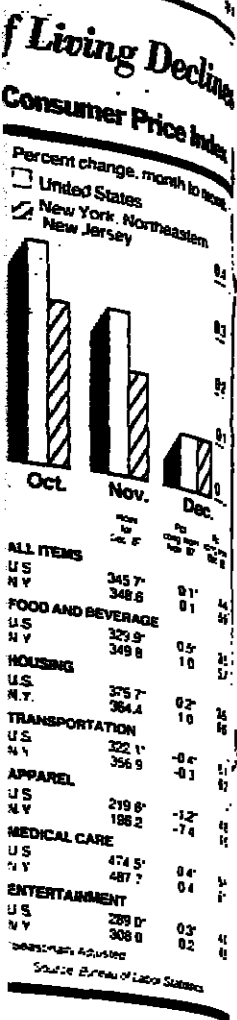
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Advertisement for WEA (Winter Olympics) featuring an Olympic logo and text: 'Expanded Sports Coverage for the WINTER OLYMPICS in the IIT'.



assures the value of the output of goods and services...

Crossword puzzle grid with clues for Across and Down sections.

Excuse My Spelling crossword puzzle grid with clues for Across and Down sections.

PEANUTS comic strip panels with dialogue.

BLONDIE comic strip panels with dialogue.

BEEBLE BAILEY comic strip panels with dialogue.

ANDY CAPP comic strip panels with dialogue.

WIZARD OF ID comic strip panels with dialogue.

REX MORGAN comic strip panels with dialogue.

GARFIELD comic strip panels with dialogue.

Crossword puzzle grid with clues for Across and Down sections.

Crossword puzzle grid with clues for Across and Down sections.

THE BOOK AND THE BROTHERHOOD By Iris Murdoch...

BOOKS less as a leaping dog. He is the catalyst for almost all the book's events...

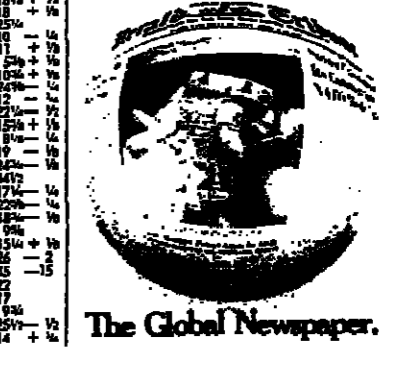
DENNIS THE MENACE comic strip panels with dialogue.

Solution to Last Week's Puzzle grid.

World Stock Markets table with columns for various cities (Amsterdam, London, Frankfurt, etc.) and stock prices.

WEATHER section with tables for Europe, Asia, Africa, Latin America, Middle East, and Oceania.

Market Closed section with text about the stock market in Hong Kong and other news.



PEOPLE

A Postscript on Salinger

After losing a court battle for the right to publish an unauthorized biography of J.D. Salinger by Ian Hamilton, Random House says it will publish "a substantially new book" about the reclusive author...

Martha Graham returned to her New York dance studio this week to oversee rehearsals after recuperating from a brief bout with typhoid fever...

The former double agent Harold (Kris) Philby appeared on national Soviet television Thursday. Philby, 75, was interviewed for 10 minutes on a program dedicated to the British author Graham Greene...

The French Association of Tourism Journalists awarded its Cactus Prize to Donna Tuttle, under secretary for travel and tourism at the U.S. Department of Commerce...

Wole Soyinka, the 1986 Nobel literature prize winner, has been appointed as president of Nigeria's road safety service...

Enzo Ferrari, the grand old man of automobile racing, turned 90 this week. Declining any formal...

AYCKBOURN'S STAGE RECIPE

By Benedict Nightingale

HE'S successful, he's rich. At the age of 48, he's had 30 of his plays professionally produced, 25 of them in London, and many of those in countries beyond his native England...



Stockard Channing, Simon Jones in "Woman in Mind," by Alan Ayckbourn, who is still fulfilling his ambition to write serious plays that make people laugh.

Take Ayckbourn's "Woman in Mind," which just opened at the Manhattan Theatre Club. A minor accident propels its main character, the frustrated wife of a small-town vicar, into hallucination, nightmare and, by the end, something alarmingly close to psychosis...

Ayckbourn also wanted to contrast a drab domesticity with the glamour of fantasy, and suggest a connection between the two. "I thought it would be fun to write about a woman who invented a dream family because her own was so disappointing and so boring...

played Susan in London. "Ten seconds before the end," replied Ayckbourn. They never quite achieved that; but they did notice that the laughter became wary, more nervous, and also more single-sex, as the evening proceeded...

That's why "Woman in Mind" presents at one moment svelte grandes holding glasses of champagne, and the next people typical of Fendon, the fictional suburb where Ayckbourn has set wry comedy after wry comedy...

As a self-sufficient ensemble, his production of Arthur Miller's "View From the Bridge" was a huge critical and popular success, and last fall transferred to the West End...

Two more of his plays are due in London in the months ahead. One of these, "Henceforward," is about a self-obsessed composer pursuing his mad musical experiments in a grim and violent Britain of the future...

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